



Cobseo
The Confederation
of Service Charities

Cobseo Members' Survey

November 2022

Chester Howarth

Stuart Cole



dsc
directory of social change

Funded by

FiMT
forces in mind trust
SUCCESSFUL SUSTAINABLE TRANSITION

 **COMMUNITY
FUND**

SUMMARY AND RECOMMENDATIONS

Summary

Supporting beneficiaries

Just over three-quarters of the respondents reported increased beneficiary numbers over the past six months: the highest level since DSC began surveying Members. However, the average magnitude of the increase in demand was slightly smaller than in May 2022.

Just over three-quarters (77.1%) of the respondents reported increased beneficiary numbers over the past six months. This was up notably from the previous survey in May 2022, when 62.1% of the respondents reported increased beneficiary numbers.

The percentage of respondents reporting increased beneficiary numbers has risen consistently since May 2021 and exceeds the level reported during the height of the Covid-19 pandemic in October 2020, when 61% of the respondents reported increased beneficiary numbers over the past six months.

Despite becoming more common, the magnitude of increased demand has become slightly smaller. In November 2022, the (median) average increase in beneficiary numbers was 20%. This is lower than the average of 25% in May 2022 and November 2021, and the average of 30% in May 2021.

Approximately three-quarters of the respondents reported that demand for hardship or financial support had increased over the past six months.

Reflecting changes around the cost of living, the type of support with the most widespread reports of increased demand was hardship and financial support, for which around three-quarters (74.3%) of the respondents reported increased demand.

Reports of increased demand for hardship and financial support were up notably from just over half (51.4%) of the respondents in May 2022 – and have now become more common than in any of DSC's previous surveys of Cobseo Members.

Increased demand for mental health support was almost as common as for hardship or financial support, and the relationship between these was highlighted by respondents.

Just under three-quarters (73%) of the respondents reported increased demand for mental health support, approximately one-quarter (24.3%) reported no change in demand, and only 2.7% reported decreased demand.

The percentage of Members reporting increased demand for mental health support has remained broadly constant over time. However, a number of the Members' responses to the open-ended survey questions drew a link between changes in the cost of living and their beneficiaries' mental health.

Critical services

The critical service with the most widespread reports of a significant impact on service delivery was hardship and financial support.

In November 2022, the critical service most commonly experiencing a significant impact over the past six months was hardship and financial support, reported by 50% of the respondents that delivered this critical service.

Moreover, just over two-fifths (43%) of the respondents reported a minimal to moderate impact on hardship and financial support – and less than one-tenth of the respondents reported no impact.

Respondents' comments suggested that these impacts included higher costs of delivering support, an increased level of demand, and an increased degree of complexity of the cases they are supporting.

Cash flow

Income

Around half of the respondents reported that their organisation saw decreased income over the past six months, with an average decrease of 20%.

Approximately half (52.2%) of the Members surveyed reported a decrease in their organisation's monthly income over the past six months. This was notably higher than in May 2022 (when 37.5% reported a decrease) and November 2021 (when 45.5% reported a decrease).

Nevertheless, whilst becoming more widespread, reports of decreased income have become slightly lower in magnitude. In November 2022, the (median) average decrease in income was 20%. This is lower than the average of 25% in May 2022 and the average of 30% in May and October 2020.

The sources of income for which the respondents most commonly reported a decrease over the past six months were fundraising events income (50%), public donations income (45%), and investment income (41%).

Fundraising events income was the source of income for which respondents most commonly (50%) reported a decrease over the past six months. Nevertheless, the percentage of respondents reporting decreased fundraising events income has become less widespread with each survey since October 2020, at which time 85.3% of the respondents said their fundraising events income had decreased.

The sources of income for which the respondents most commonly reported an increase were income from fees for services (33%), trading income (28%) and legacy income (24%).

Increases in income – both overall and with respect to each source of income – were less common than decreases in income.

Nevertheless, one-third (33.3%) of the respondents said that their income from fees for services had increased over the past six months. For the remaining respondents, income from this source had not changed – and none of the respondents said that income from fees for services had decreased.

Expenditure

Respondents overwhelmingly estimated that their organisation saw increased expenditure over the past six months, with an average increase of 20%.

Approximately four-fifths (81.2%) of the respondents reported that their organisation's monthly expenditure had increased over the past six months, becoming more widespread than in any of DSC's previous surveys of Cobseo Members.

Moreover, the average increase in expenditure reported by the respondents was 20%. This is comparatively higher than in May 2022, when the (median) average increase over the prior six months was 15%, and in November 2021, when the average increase was 10%.

Meanwhile, only 4.2% of the respondents reported a decrease in their monthly expenditure. This has fallen consistently since its highest point in October 2020, when 60.9% of the Members surveyed reported a decrease in their expenditure. Too few members reported decreased expenditure to calculate the average change.

Expenditure most commonly increased in relation to the cost of delivery (68%), overheads expenditure (64%), and grant-making to individuals (60%).

Cost of delivery was the stream of expenditure for which respondents most commonly (68%) reported an increase over the past six months. The percentage of respondents reporting increased service delivery expenditure rose to its highest level since DSC's surveys began, becoming more widespread with each survey since October 2020, at which point 21.4% of the respondents reported an increase.

Risks and challenges

More than one-third of the respondents said significantly increasing beneficiary need or numbers was an immediate risk, becoming more widespread than in any of DSC's previous surveys.

In November 2022, the risk that was – by a notable margin – most commonly reported to be already a reality was significantly increasing beneficiary need or numbers. This was reported by more than one-third (38.5%) of the respondents, having climbed consistently since May 2021, when just under one-fifth (18.3%) of the respondents indicated that this risk was already a reality.

More than half of the respondents reported that a reduction in service delivery may be a medium-term risk to their organisation.

The risk that was most widely reported to potentially become a reality within six months or within one year was a reduction in service delivery: 13% of the respondents said that this risk may become a reality within six months, and a further 45% of the respondents said this risk may become a reality within one year.

This was followed closely by the risk of a reduction in paid staff, for which 23% of the respondents said that this risk may become a reality within six months, and a further 32% of the respondents said this risk may become a reality within one year.

The overwhelming majority of the respondents reported that merging with another organisation may be a longer-term risk to their organisation.

Finally, in the longer term, merging with another organisation was the risk that was most widely reported to potentially become a reality within two or more years. This was indicated by more than four-fifths (84.2%) of the respondents, up from just over two-thirds (68%) in May 2022.

Members stated that cuts to support and organisational closure were potential impacts of changing socio-economic conditions.

When asked to describe how they expect economic conditions to impact their charity over the next six months, the responses were typically around limits being placed on services or cuts to delivery being made, challenges for income flows (such as the performance of investments, fundraising efforts, and greater competition for grants) and challenges for expenditure flows (such as responding to increased demand and adapting to higher operational costs).

A small number of the respondents drew attention to the potential for severe adverse impacts, such as the closure of their organisation.

Members stated that higher levels of funding, more long-term financial agreements, and the provision of advice could help sustain or improve their efficiency.

When asked what could help sustain or improve their efficiency, Members suggested additional financial support for organisations (with respect to the amount and length of time over which funding is provided) from a range of sources (including both government and grant funders) as well as easier access to this funding (through alterations to the grant application process). Members also highlighted increased statutory support for beneficiaries to reduce demand on third-sector provision, advice for third-sector organisations (for example, on generating income and understanding and meeting needs), and greater awareness-raising about the support Member organisations can provide.

Recommendations

The main findings from the Cobseo Members survey in November 2022 suggest that changes in the cost of living are impacting both Cobseo Members and their beneficiaries. DSC therefore makes the following recommendations going forward:

- To help Members continue to support their beneficiaries and deliver services, Cobseo may consider new ways to communicate information relating to the cost of living. This could include information from government, or other sources, and from Members or Clusters – in a similar form to [DSC's Cost of living hub](#).
- To continue to track the impact of external pressures on Cobseo Members and help support the ongoing impact of survey data and findings, Cobseo should continue to encourage more Members to take part in future surveys. DSC recommends that survey engagement is directed towards disseminating this report and its findings to Members, with a focus on how the report is used and shared by the Cobseo team.
- To maximise the impact of the data collected, DSC recommends that Members should be encouraged to utilise both this written report and the interactive online [Cobseo Members' Impact Database](#). Uses of the data could include supporting activities such as funding applications and board meetings, but also fostering additional collaborative outreach between Members, who may be in need of advice and support.

INTRODUCTION

Introduction

In May 2020, DSC, funded by Forces in Mind Trust, first surveyed Cobseo Members on the pandemic's impact on their organisations, funded by the Forces in Mind Trust. The subsequent report was crucial to understanding and communicating to the government how Covid-19 was affecting Members. This analysis laid the foundation for understanding and charting the ongoing impact of external challenges on Members.

From the height of the pandemic to the evolving social and economic environment, this series of surveys provides evidence to inform policy and practice in support of Cobseo Members, and, in turn, their beneficiaries.

The results presented in this report relate primarily to the fifth survey, undertaken in November 2022. However, to illuminate recent trends, data is also presented for the previous survey, conducted in May 2022. Data on the earlier surveys can be accessed through the [Cobseo Members' Impact Database](#) and our earlier published reports.

Our thanks go to all Cobseo Members who took part in this November 2022 survey and who, in turn, are directly supporting other Members in the ongoing need for evidence to inform policy work in support of those who serve the Armed Forces community.

About the survey

This survey was generously funded by Forces in Mind Trust (FiMT) and was designed as a collaboration between the Directory of Social Change (DSC) and Cobseo. The subsequent analysis and report were undertaken by DSC. Responses were gathered via the online survey tool 'Survey Monkey' from 9 to 30 November 2022. Altogether, 52 Cobseo Members completed the November 2022 survey.

Quotes from respondents are used throughout this report and appear as written by respondents. However, certain quotes have been minimally altered to maintain the anonymity of respondents or for readability; where changes have been made, care has been taken not to alter the meaning of the text.

Not all qualitative responses are featured in the report; however, to ensure that all who took part are heard, every member's response was anonymised and presented to the Cobseo executive team.

How to use this report

This report complements our online resource, the [Cobseo Members' Impact Database](#). The analysis provides additional commentary on the data, alongside conclusions and recommendations on the November 2022 survey findings.

Following the executive summary, the report is structured into five main chapters, which cover different substantive areas of the survey, can be referenced as needed by Members. These are:

1. Supporting beneficiaries

2. Critical services
3. Cashflow: income
4. Cashflow: expenditure
5. Risks and challenges

Each chapter first presents an overview of the most recent survey. The latest data is then displayed at a more granular level, alongside the previous surveys, for readers to contextualise the latest findings and use them as needed.

Members may wish to read the entire report or choose the chapters most relevant to their needs; similarly, they may also want to read a chapter in full or simply get a top-level summary of the most recent data in the overview sections that begin each chapter.

About DSC

The Directory of Social Change (DSC) has a vision of an independent voluntary sector at the heart of social change. We are an independent charity with over 40 years of experience providing support to the charity sector, including our award-winning Armed Forces Charities research.

Our publications and reports are regarded as the premier source of information on Armed Forces charities, and our work in this area continues to support developments in both policy and practice across the charity sector.

DSC is also a leading provider of training and [information on grant-making charities](#) through our range of funding guides and our online funding information platform, [Funds Online](#).

Visit DSC online at www.dsc.org.uk to learn more.

CHARACTERISTICS OF THE RESPONDENTS

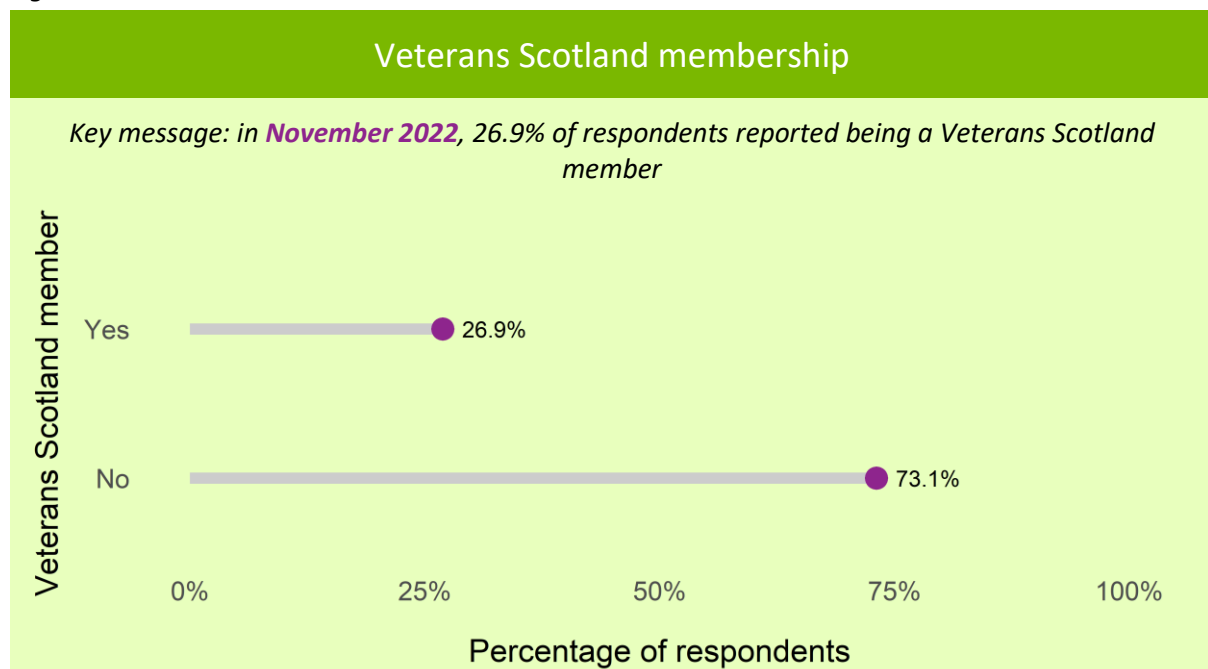
Organisational membership type

Figure 0.1



Note: There were 52 respondents to this question in November 2022.

Figure 0.2



Note: There were 52 respondents to this question in November 2022.

Type of organisation

Figure 0.3

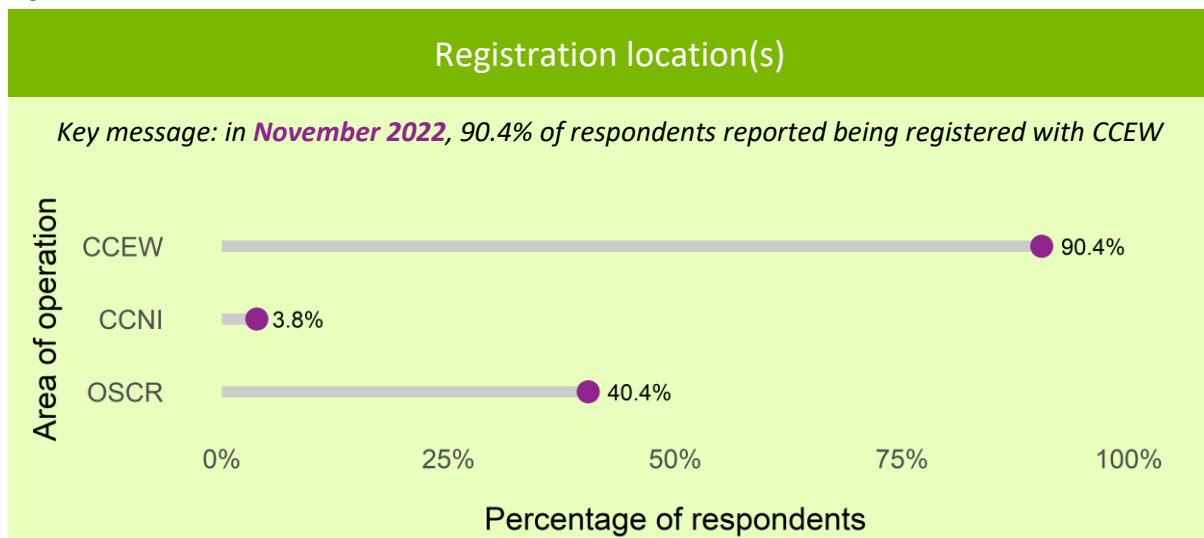


Note: There were 52 respondents to this question in November 2022.

Charity registration location

Figure 0.4 presents the charity regulator with which the charities that responded to DSC's survey are registered. These include the Charity Commission for England and Wales (CCEW), the Charity Commission for Northern Ireland (CCNI), and the Office of the Scottish Charity Regulator (OSCR). As these registrations are not mutually exclusive, a charity may be registered with multiple regulators, depending on where they operate.

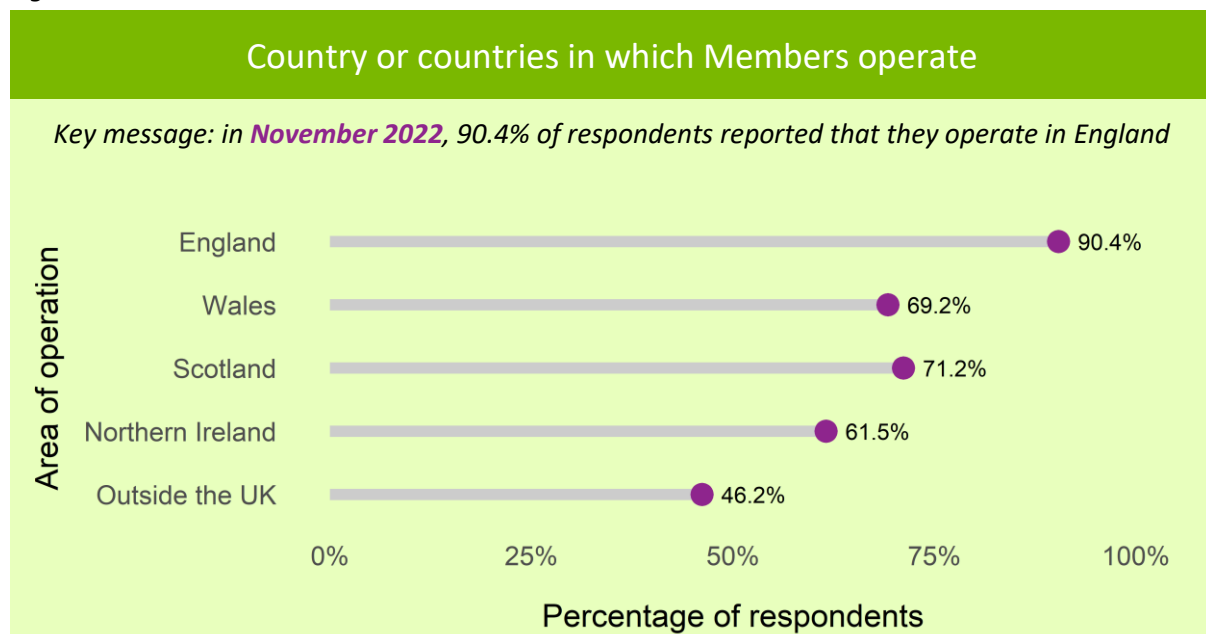
Figure 0.4



Note: There were 52 respondents to this question in November 2022. Respondents could select more than one of the responses to this question; therefore, the percentages do not sum to 100%.

Area of operation

Figure 0.5

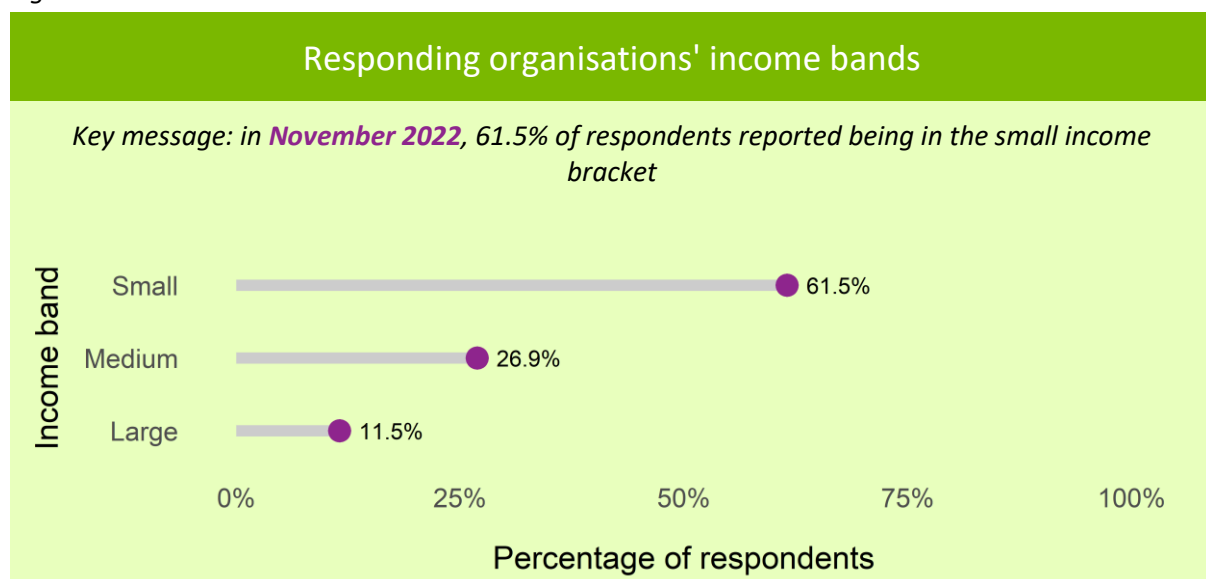


Note: There were 52 respondents to this question in November 2022. Respondents could select more than one of the responses to this question; therefore, the percentages do not sum to 100%.

Income bands

Figure 0.6 shows respondents' reported income bands, which fall within three discrete groups: small (gross annual income of less than £750,000 per year); medium (gross annual income of between £750,000 to £10 million per year); and large (gross annual income greater than £10 million per year).

Figure 0.6



Note: There were 52 respondents to this question in November 2022.

CHAPTER 1

Supporting beneficiaries

1.1 Introduction

This chapter on supporting beneficiaries looks at changes in demand across a range of support types over the past six months. Specifically, DSC asked respondents about the following areas of support:

- Mental and physical health support
- Loneliness support
- Family support
- Employment and unemployment support
- Drug and alcohol abuse support
- Family support
- Employment unemployment support
- Domestic abuse support
- Hardship and financial support
- Housing support

The first section analyses the data for November 2022, illustrating which types of support have seen the most widespread reports of increased demand, decreased demand, or no change in demand. It also presents Members' reports of their estimated change in beneficiary numbers overall.

The second section then presents the data for each type of support in more detail – and contextualises the latest data by presenting it alongside the results from DSC's previous surveys of Cobseo Members.

1.2 Overview of the data in November 2022

1.2.1 Estimated change in beneficiary numbers overall

Respondents were asked to estimate the percentage change in their beneficiary numbers over the past six months on a scale from -100% to +100%. For simplicity, DSC's researchers categorised the responses – which ranged from -50% to 100% – into the four categories shown in Figure 1.1.

As shown in Figure 1.1, just over three-quarters (77.1%) of the respondents reported increased beneficiary numbers over the past six months. This was up notably from May 2022, when 62.1% of the respondents reported increased beneficiary numbers. Indeed, this is the highest percentage of respondents reporting increased beneficiary numbers since DSC's surveys began in May 2020.

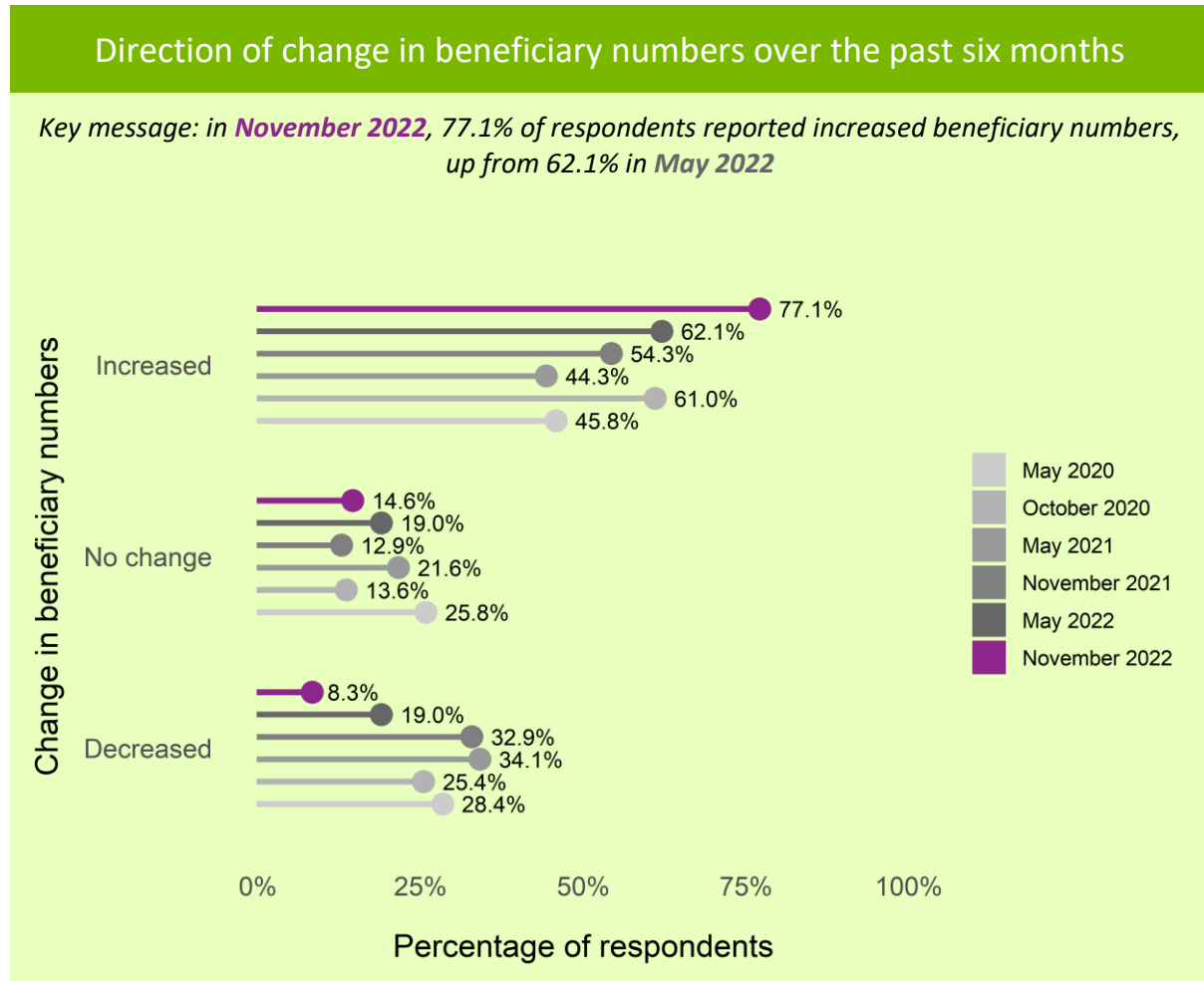
However, as shown in Figure 1.2, the extent of the increase in beneficiary numbers was slightly lower in November 2022 than in May 2022. Specifically, the median increase in beneficiary numbers was 20% in November 2022, down from 25% in May 2022.

Moreover, as shown in Figure 1.1, less than one-tenth (8.3%) of the respondents reported decreased beneficiary numbers over the past six months. The percentage of respondents reporting decreased

beneficiary numbers has fallen consistently since May 2021, now reaching its lowest level since DSC' began surveying Members in May 2020.

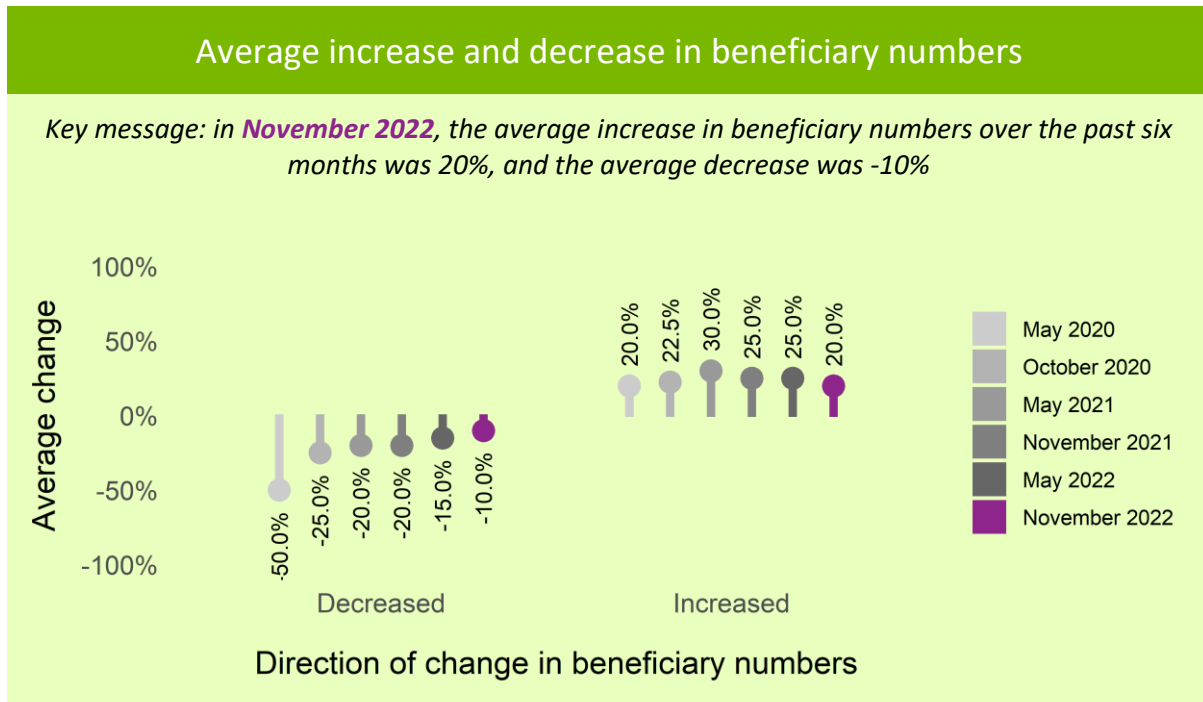
It is also important to highlight that the magnitude of the estimated decrease in beneficiary numbers has decreased consistently over time, with the average decline in beneficiary numbers reported to be 10% in November 2022, down from 15% in May 2022.

Figure 1.1



Note: There were 48 respondents to this question in November 2022.

Figure 1.2



Note: There were 48 respondents to this question in November 2022.

To illustrate the types of support for which respondents most commonly experienced increased demand, decreased demand, and no change in demand, Figures 1.2 through 1.4 present the same data for November 2022 in three different ways.

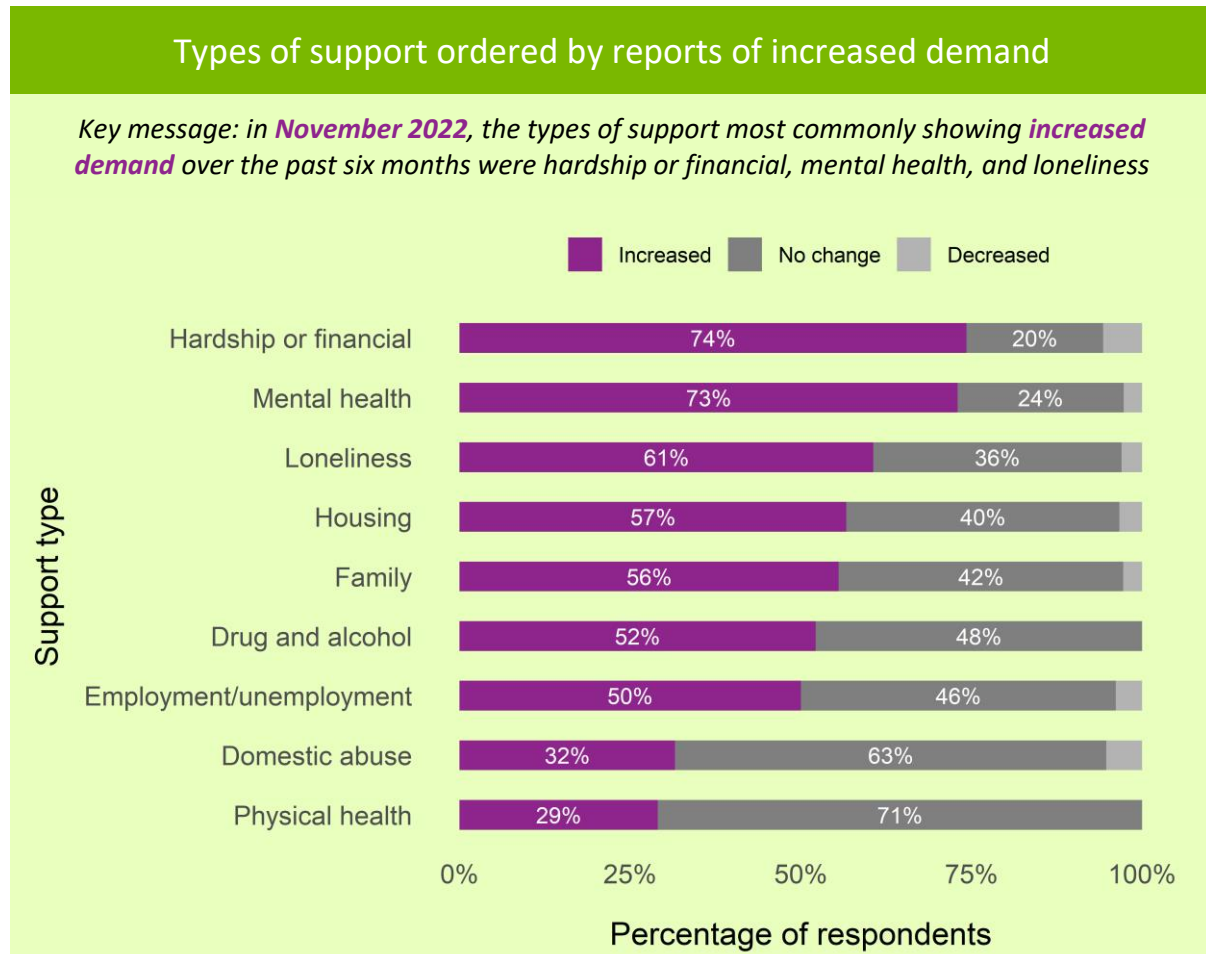
1.2.2 Types of support: ordered by reports of increased demand

As shown in Figure 1.2, the three types of support with the most widespread reports of increased demand were hardship or financial support (74%), mental health support (73%), and loneliness support (61%).

Given the prominence of issues around the cost of living at the time of writing (November 2022), it is unsurprising that hardship and financial support show the most widespread reports of increased demand for support. This has increased from around half of the respondents in May 2022, at which time hardship and financial support was behind mental health support and family support in terms of the prevalence of increases in demand.

This suggests that Members' experiences supporting their beneficiaries reflect (changes in) the current socio-economic context.

Figure 1.2



Note: There were a minimum of 19 and a maximum of 37 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

1.2.3 Types of support: ordered by reports of decreased demand

Whilst notably less common, the three types of support that showed the most widespread reports of decreased demand were hardship or financial support (5.7%), domestic abuse support (5.3%), and employment/unemployment support (3.8%). For reasons of space, these percentages are not shown in Figure 1.3.

Despite hardship and financial support being the area of support for which there were the most widespread reports of increased demand, it also showed the most widespread reports of decreased demand. It is important to reiterate that this was only a small proportion of the respondents; nevertheless, this aspect of Members' experiences was highlighted among the qualitative responses. Illustrative responses have been reproduced in Box 1.1 below.

Box 1.1

Respondents' comments on decreased demand for financial and hardship support

"A significant reduction in requests for financial assistance."

"Unfortunately, our welfare provision and financial hardship demand has decreased, and we are unaware why this has happened. We know there is currently fuel poverty, food crisis etc., and yet the demand for support has reduced for us and yet raised for others."

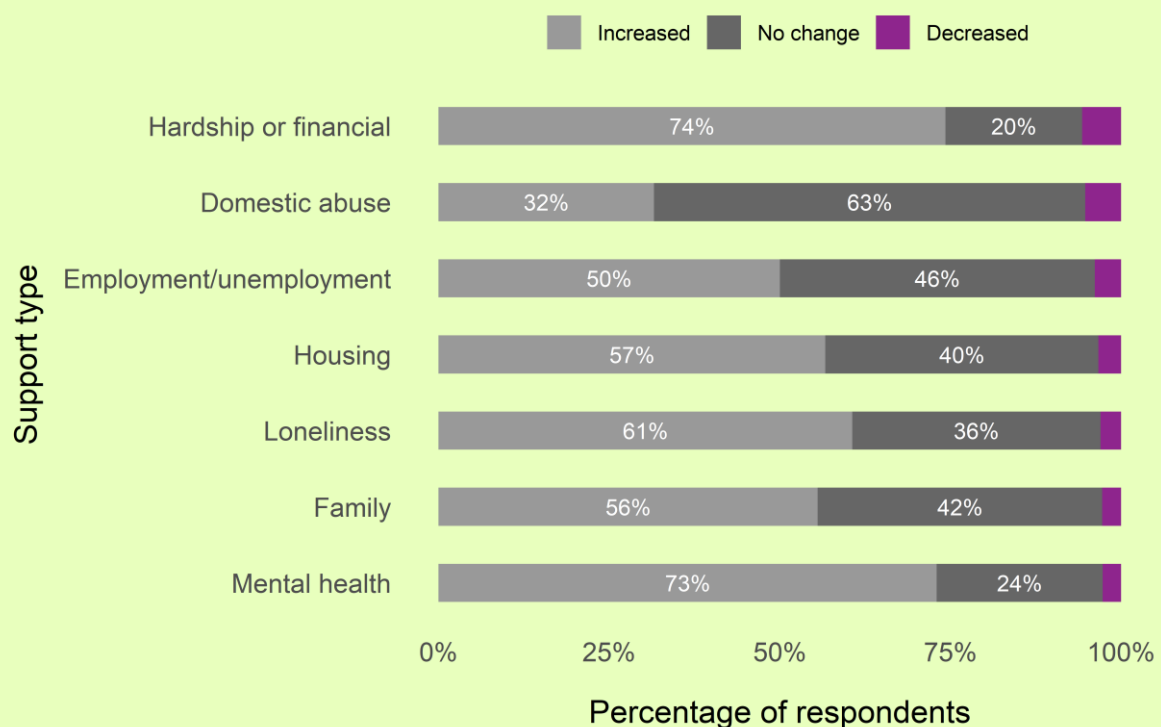
"We have seen a significant reduction in approaches for welfare assistance. This may be due to increased government financial support and the growth of part-time employment vacancies."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

Figure 1.3

Types of support ordered by reports of decreased demand

*Key message: in **November 2022**, the types of support most commonly showing **decreased demand** over the past six months were hardship or financial, domestic abuse, and employment/unemployment*

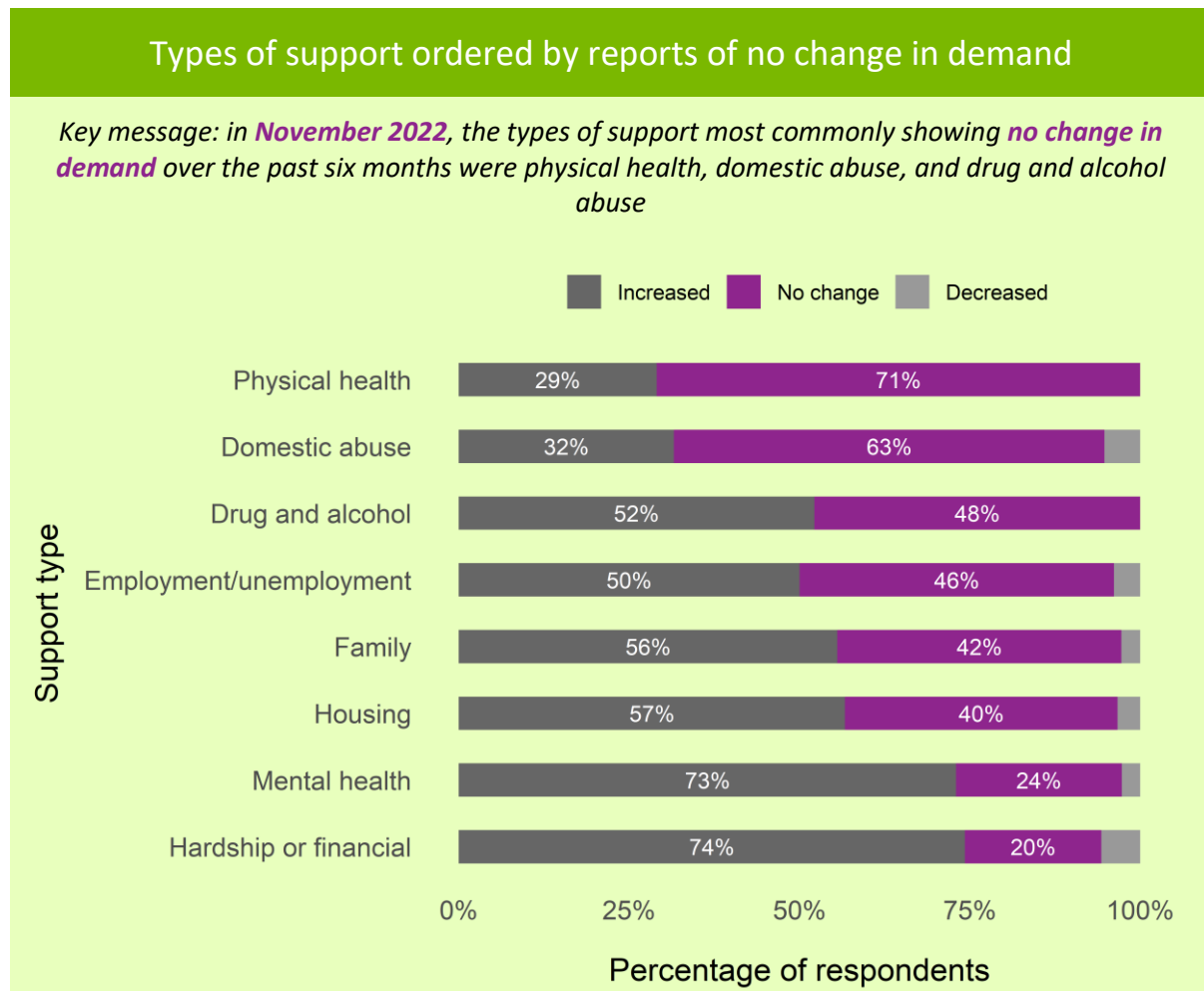


Note: There were a minimum of 19 and a maximum of 37 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

1.2.4 Types of support: ordered by reports of no change in demand

Meanwhile, the three types of support that showed the most widespread reports of no change in demand were physical health support (71%), domestic abuse support (63%), and drug and alcohol abuse support (48%).

Figure 1.4



Note: There were a minimum of 19 and a maximum of 37 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

1.2.5 Respondents' comments on changing needs

The respondents to DSC's survey were invited to provide any further detail to their responses on whether their organisation has seen beneficiary needs change over the last six months.

A small number of the respondents provided a qualitative response (n=6). An illustrative selection from these responses has been reproduced in Box 1.2 below. It is important to note that respondents' comments are illustrative of their experiences.

Box 1.2

Respondents' comments on changing needs

"We support all UK Servicemen and Servicewomen who are unaccompanied overseas on operations and away from their families and friends at Christmas."

"Increased AFCS compensation advocacy requests."

"The number of cases has reduced for a second year, but the level of need has increased."

"We have seen a significant increase in the number of self-referrals we receive. Prior to the pandemic, the majority of our referrals came from other organisations supporting veterans and service personnel. This has now changed: more people are self-referring to our service. We are doing some work to try and find out whether this is due to our work to increase our profile and knowledge about our service or whether this is because there are fewer services supporting/signposting veterans and service personnel post-pandemic. We are also hearing from our beneficiaries that, as a result of the pandemic, many organisations changed the way they deliver support, with many only offering online/virtual support. We continue to offer 1-1 face-to-face support and we believe that this is key to supporting our beneficiaries to make progress."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

1.3 Changes in the drivers behind beneficiaries' support needs

The Cobseo Members in DSC's survey were also asked whether they had noticed any change in the drivers behind beneficiaries' support needs over the last six months, such as in relation to possible changes in the cost of living.

Among the responses provided (n=45), several Members said that they had not noticed any changes in the drivers of beneficiaries' support needs. Drawing on those who had noted changes, Box 1.3 illustrates a variety of the responses. It is important to note that respondents' comments are illustrative of their experiences.

Box 1.3

Respondents' comments on changing drivers behind beneficiaries' support needs

"The cost of living issue has become the first issue that veterans want to talk about. It is significantly affecting their mental health."

"Cost of living, travel, heating and food prices. Continual erosion of statutory support services, charities having to fill the gap."

"Fear is the main driver. It is often invalid, but it is causing an increase in anxiety and, therefore, an inability to cope. Fear about bills, fear about not being able to work; then made worse because that causes relationship breakdowns, anger etc."

"There are more hardship cases requiring funding for basic living costs (i.e., food and clothing)."

"Yes, the dire job situation (e.g., gig economy shutting down) plus the cost of living and societal challenges not being addressed by the government."

"They are less willing to travel due to increased cost."

"For employment – the job market is buoyant, and people are coming forward confident that the market will benefit them at this time and hopefully may increase their salary, which will support them in these times of challenge."

"Residents have become more anxious about their ability to pay their service charge due to a reduction of available income, which may mean a possible return to homelessness."

"Increases in costs have become a key cause of hardship rather than only major life events."

"I think that we have seen a rise in referrals over the last three months around employment, debt and mental health challenges associated with COVID. As yet, I do not believe that we have seen a big increase from the cost of living challenges. I have no doubt that these will manifest over the winter and through next year and I anticipate a greater financial ask from benevolence going forward to 2023. Interestingly, 60% of our referrals and support offered have not ended in grants the remaining 40% have required financial support to help beneficiaries in their time of need."

"We are not seeing any trends as yet to suggest our beneficiary group (veterans and their families) are experiencing more financial hardship than the rest of the population, but it is still early days. The concern is these beneficiaries who do need help may be too proud to ask, especially older veterans and those who are isolated."

"There has been a moderate increase in debt management cases and more requests from serving soldiers for support."

"Historic drivers of support needs remain, exacerbated by increases in the cost of living."

"Inflation and cost of living pressures are clearly the key factors."

"We haven't seen any significant change. It has always been the case that when we are supporting someone through the discharge process, they often need to focus on securing paid employment once they are formally discharged. This remains unchanged, though, of course, with the cost of living crisis, this need has become more pressing."

"Noticeable impact. August was the busiest August for case numbers in five years."

"Very significant impacts on the quality of life and the amount of financial hardship experienced."

"Feedback from member organisations indicates increased demand to support loneliness and social isolation and 'living costs' (e.g., fuel bills) rather than disability adaptations to homes."

"The increase comes much from rebalancing after the downturn during Covid. The cost of living is also impacting significantly, and requests with an impacting factor of addiction (drugs, alcohol, gambling, gaming, smoking) are rising – including where these addictions are a family member which the veteran is living with and needs support."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

1.4 Ability to cope with demand for service delivery

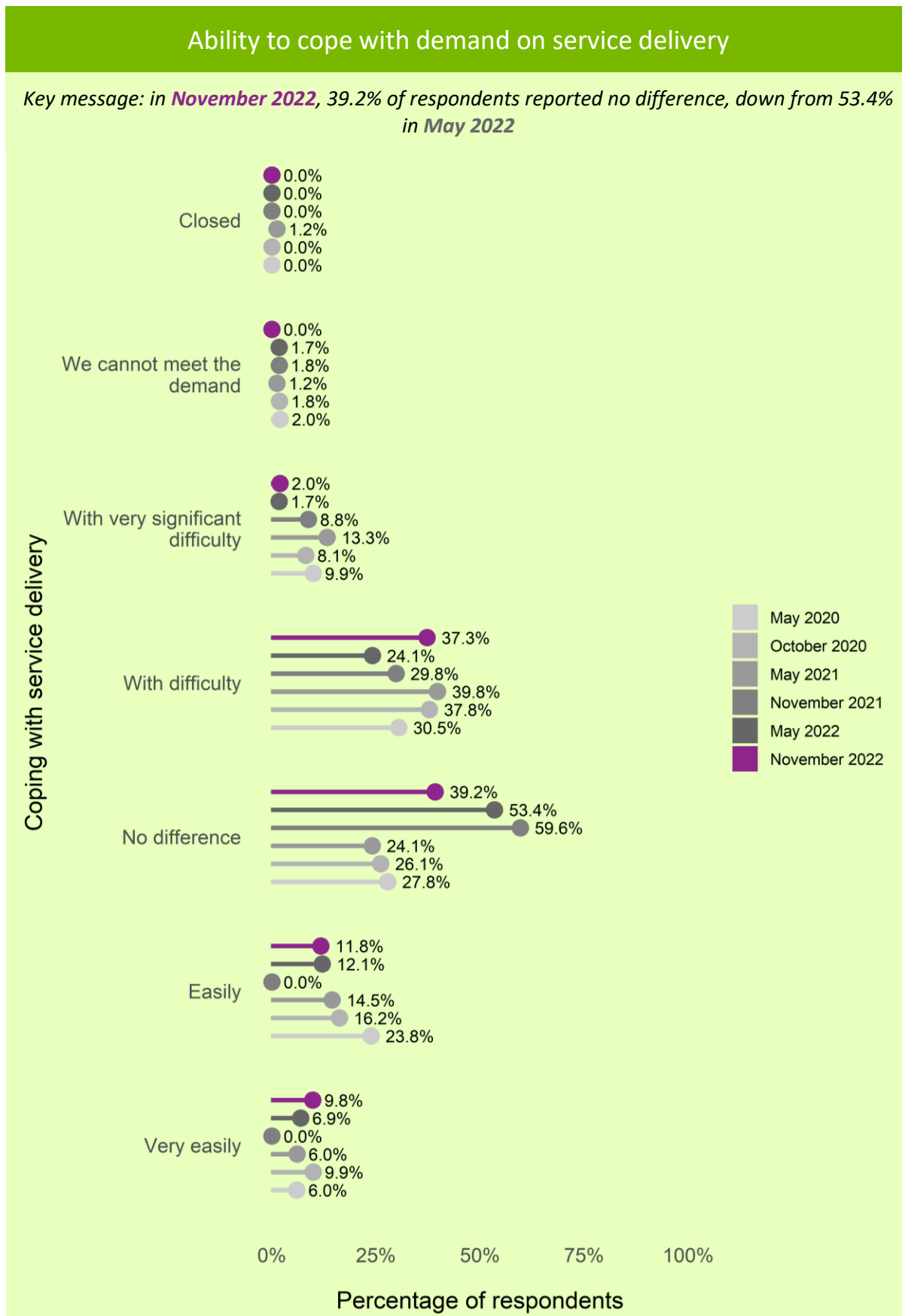
Figure 1.5 shows respondents' indications of their ability to cope with the demand for services in the past six months. This figure illustrates the variety of experiences of Cobseo Members.

The percentage of respondents reporting that they were coping very easily were the highest they have been since DSC's surveys began, and reports of coping easily were similar to the previous survey. Moreover, reports of coping with very significant difficulty were rare.

Meanwhile, a significant minority of the respondents reported no difference in their ability to cope over the past six months, down from 53.4% in May 2022.

The fall in the percentage of respondents reporting no difference in their ability to cope appears to have been offset by an increase in the percentage of respondents reporting that their organisation was coping with difficulty was 37.3%. This is similar to October 2020 and May 2021, up from 24.1% in May 2022.

Figure 1.5



Note: There were 51 respondents to this question in November 2022.

1.4.1 Respondents' comments on how they are coping with service delivery

The respondents to DSC's survey were invited to provide any further detail to their responses on how their organisation has been coping with service delivery over the last six months.

Several respondents provided a qualitative response (n=6). An illustrative selection from these responses has been reproduced in Box 1.4 below. It is important to note that respondents' comments are illustrative of their experiences.

Box 1.4

Respondents' comments on how they are coping with service delivery

"We have had to adapt and become flexible with what we offer, how we offer it, and when."

"More pressure on welfare officers, cases staying open longer and difficult to close due to increased complexity."

"There is some difficulty in helping the larger numbers of personnel in terms of spaces on our courses and admin time in dealing with the calls for help."

"We have Regimentally employed two Welfare mentors – they intervene on many cases, which sometimes leads to increased statutory assistance resulting in less charitable money being spent."

"The staffing level is too low."

"Currently, we can sustain [support]. However, going forward, if cases increase, levels of funding will potentially be under threat, limiting our support available."

"Higher workload due to increased calls for help."

"We have a very lean admin team and a large delivery team, meaning there is no waiting list."

"We have had to bring in extra staff to support the increase in demand."

"We are finding more referrals coming in and more complex needs across the veteran population and this is leading to longer waiting lists in some areas before our support volunteers can get to the beneficiaries."

"Our beneficiary population has risen slightly over the previous six months, but this has been absorbed within our capacity/ resilience margin. I do, however, expect the next 6-12 months to be the most financially challenging that we have experienced since the beginning of the Covid-19 pandemic."

"We have become aware that a number of services have continued to offer virtual/ online support only following the pandemic. This is changing our referral routes – the number of beneficiaries self-referring to our service has increased significantly compared with pre-pandemic. Our team are working hard to re-establish referral routes and create new ones in order to raise awareness of our service and reach the people that need our support. We have been affected by the withdrawal from the recovery centres of a large charity, which used to refer a significant number of

beneficiaries to us. We are concerned that the changing nature of how support is delivered means people are not being referred to our support and potentially falling through the gaps."

"We have increased demand from members suffering from loneliness. Only 40% are able to use a computer. Therefore, they require more phone calls and letters, which are expensive."

"With limited funding available we have been unable to increase our staff numbers, this has had an impact on the service we deliver as the number of referrals increased."

"Our small staff team is struggling to deal with the complexity of requests coming directly to us, and the additional work which comes from poor benevolence casework through third parties."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

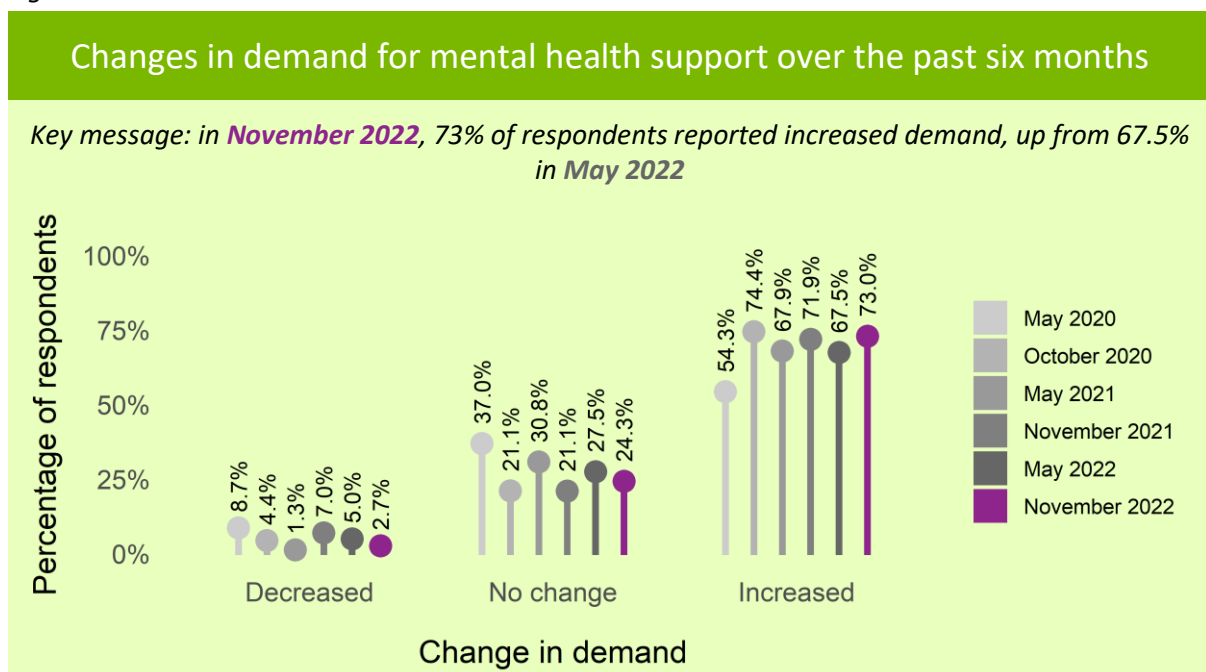
1.5 The most recent data in context

The following section of this chapter presents the most recent data (for November 2022) on changes in demand for support in the context of the previous waves of data collection.

In each chart, the most recent data is shown in purple, whilst previous waves are represented in grey.

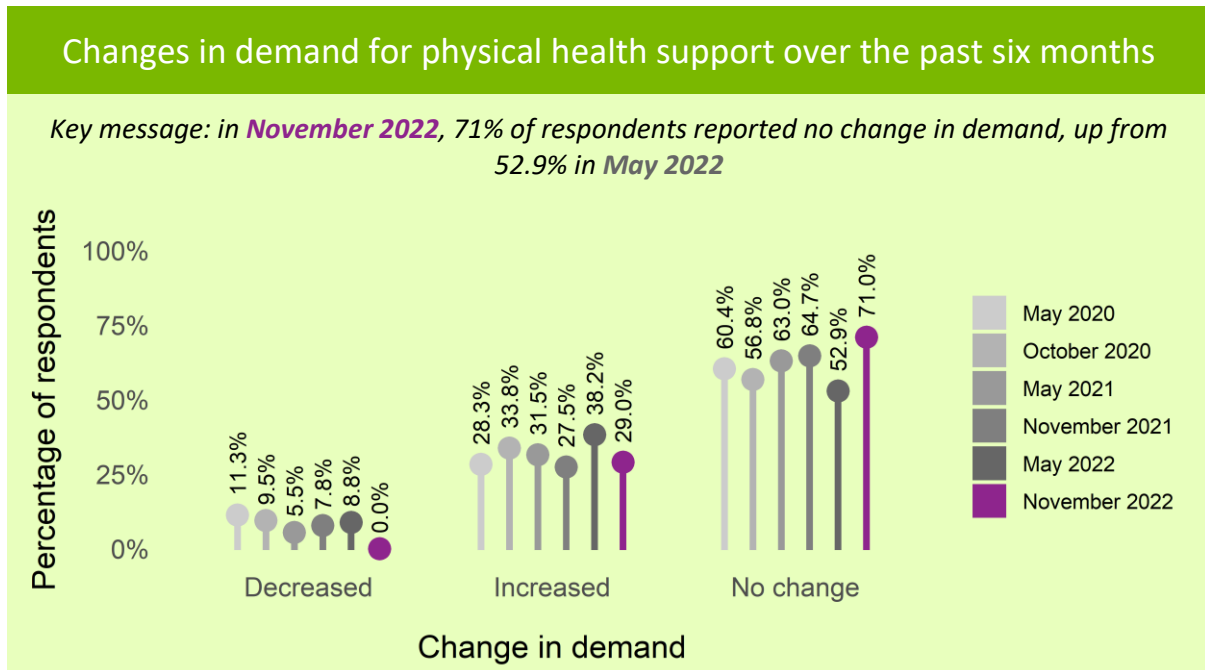
1.5.1 Mental and physical health support

Figure 1.6



Note: There were 37 respondents to this question in November 2022.

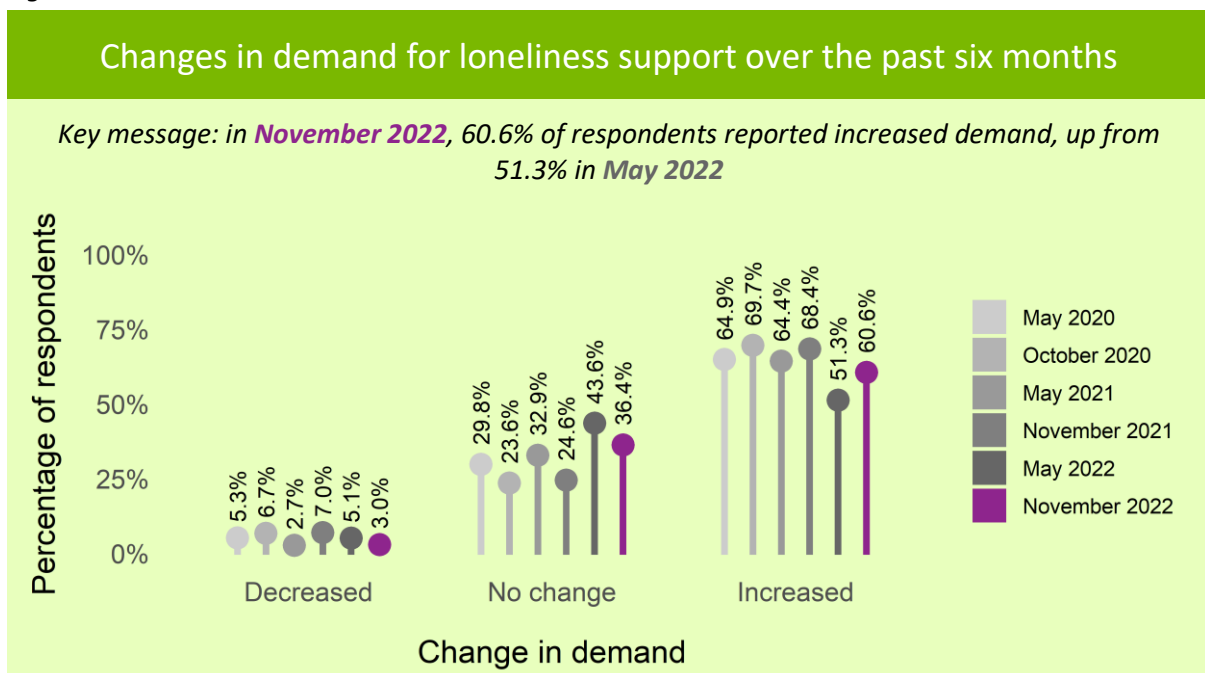
Figure 1.7



Note: There were 31 respondents to this question in November 2022.

1.5.2 Loneliness support

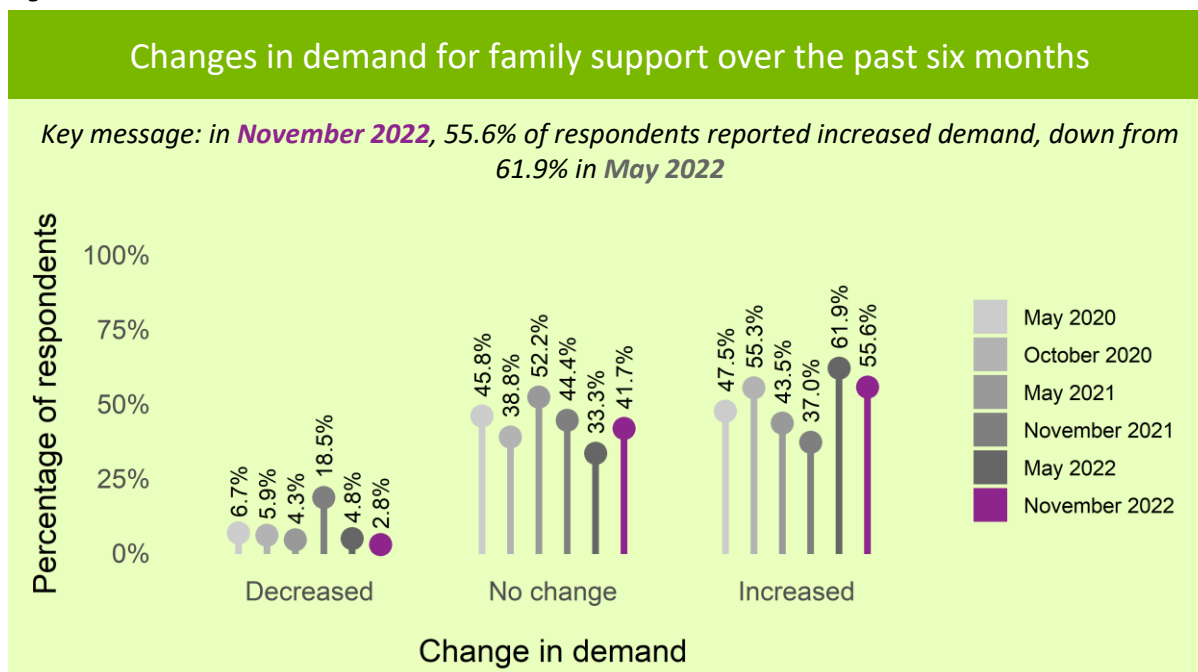
Figure 1.8



Note: There were 33 respondents to this question in November 2022.

1.5.3 Family support

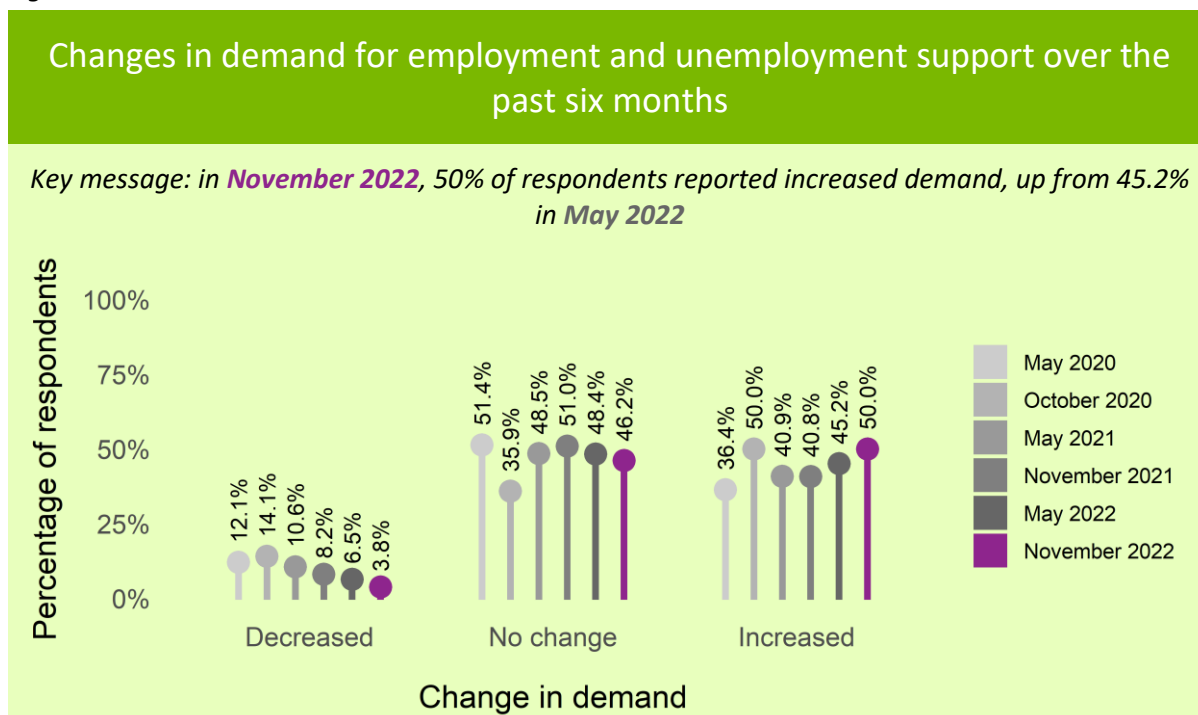
Figure 1.9



Note: There were 36 respondents to this question in November 2022.

1.5.4 Employment and unemployment support

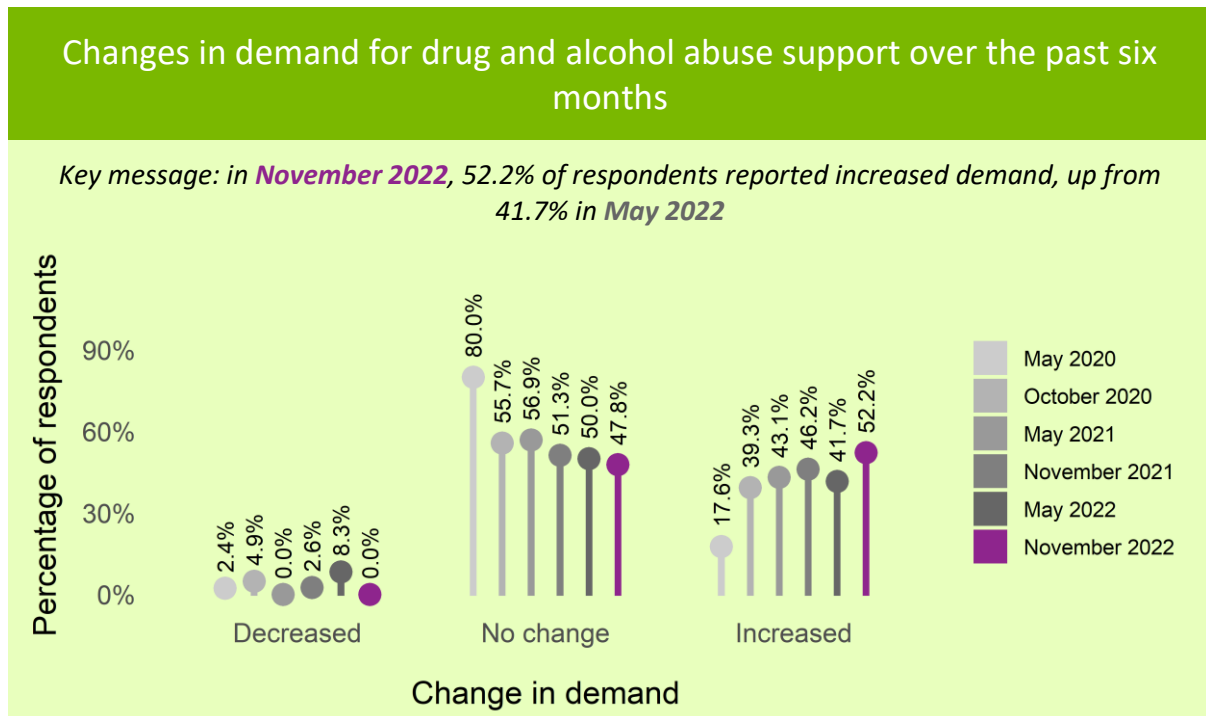
Figure 1.10



Note: There were 26 respondents to this question in November 2022.

1.5.5 Drug and alcohol abuse support

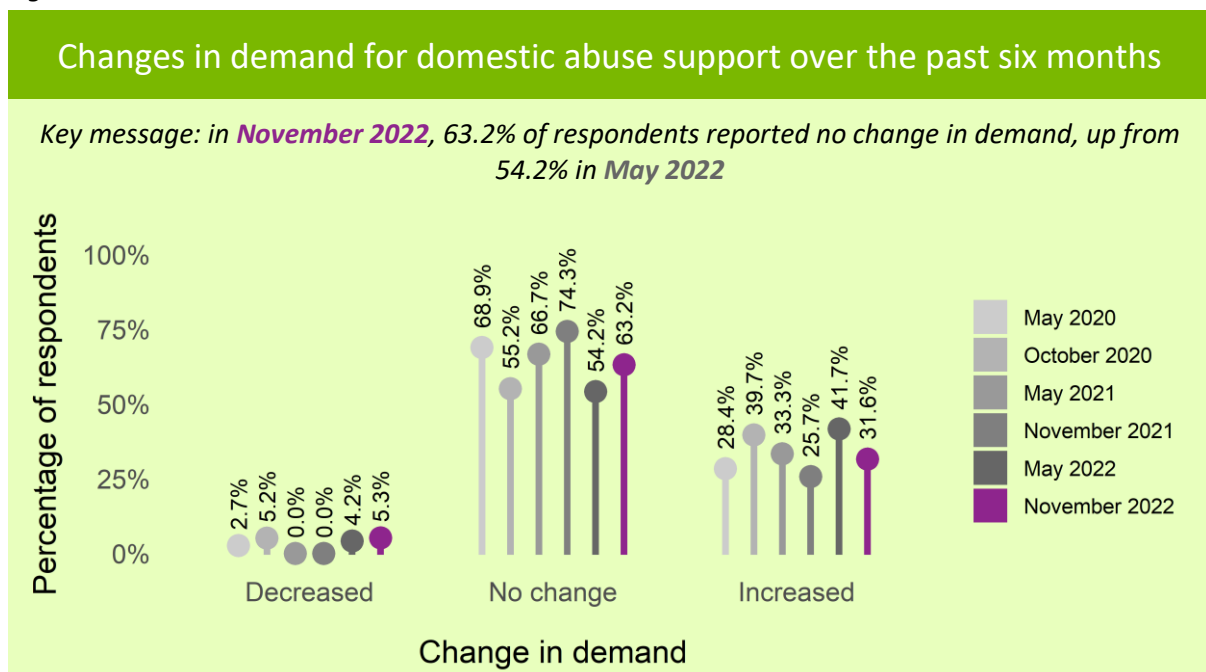
Figure 1.11



Note: There were 23 respondents to this question in November 2022.

1.5.6 Domestic abuse support

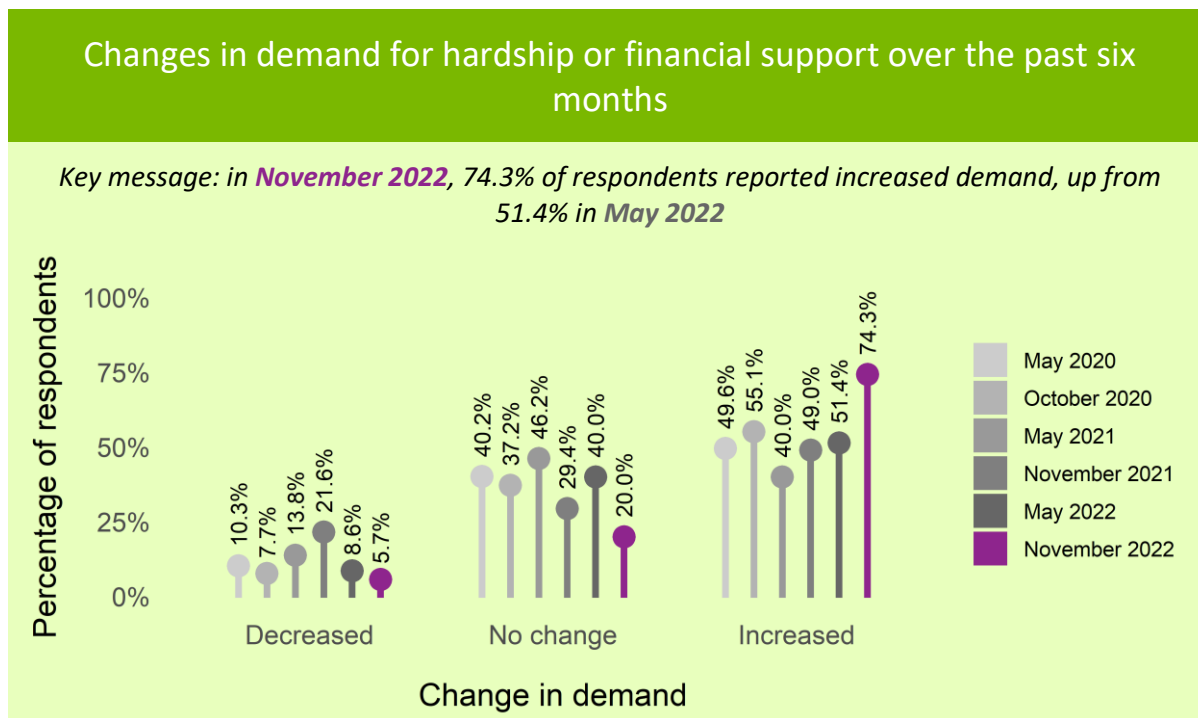
Figure 1.12



Note: There were 19 respondents to this question in November 2022.

1.5.7 Hardship or financial support

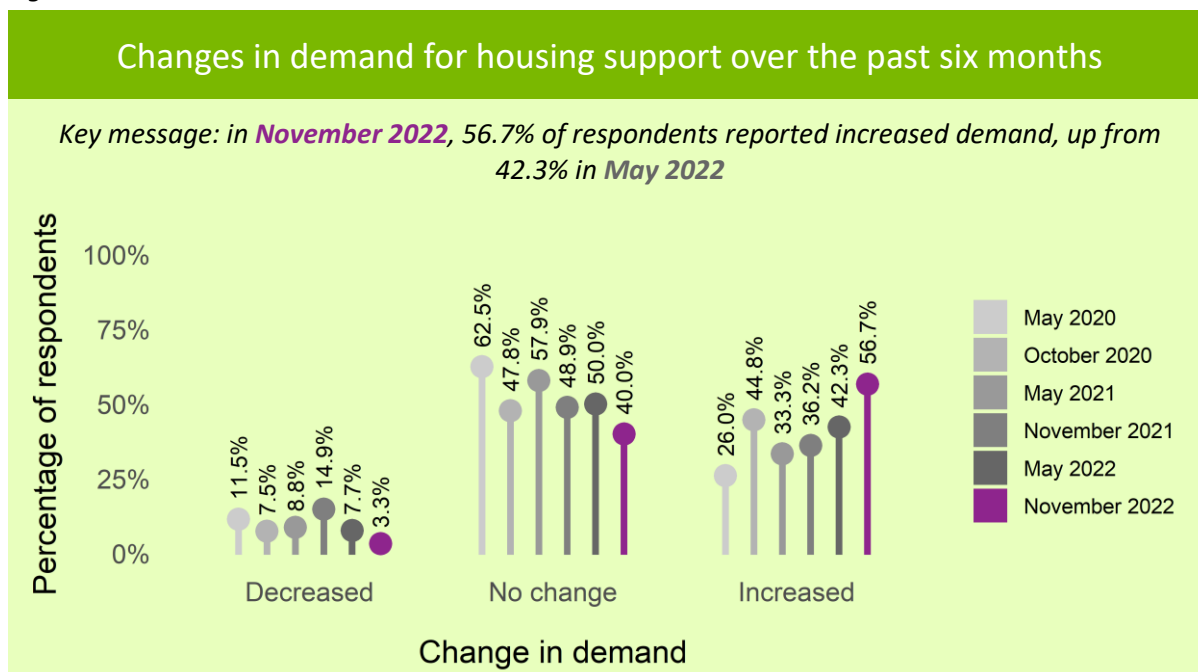
Figure 1.13



Note: There were 35 respondents to this question in November 2022.

1.5.8 Housing support

Figure 1.14



Note: There were 30 respondents to this question in November 2022.

CHAPTER 2

Critical services

2.1 Introduction

This section looks at the impacts on the provision of critical services provided by Cobseo Members. In each survey questionnaire, DSC defines critical services as 'services to beneficiaries without which individuals would face a significant or serious challenge to their wellbeing'.

The first part of this chapter analyses the data for November 2022. It highlights which critical services are most commonly experiencing different types of impacts and provides qualitative data on how critical services have been impacted. The critical services included in DSC's survey were:

- Support to the elderly (including care homes)
- Mental and physical health support
- Welfare support
- Domestic violence support
- Housing support
- Justice system support
- Support for Service families (including childcare)
- Bereavement support
- Employment support
- Hardship and financial support

The second part of this chapter then presents the data for each type of critical service in greater detail, contextualising the latest data by presenting it alongside the results from DSC's previous surveys of Cobseo Members.

2.2 Overview of the data in November 2022

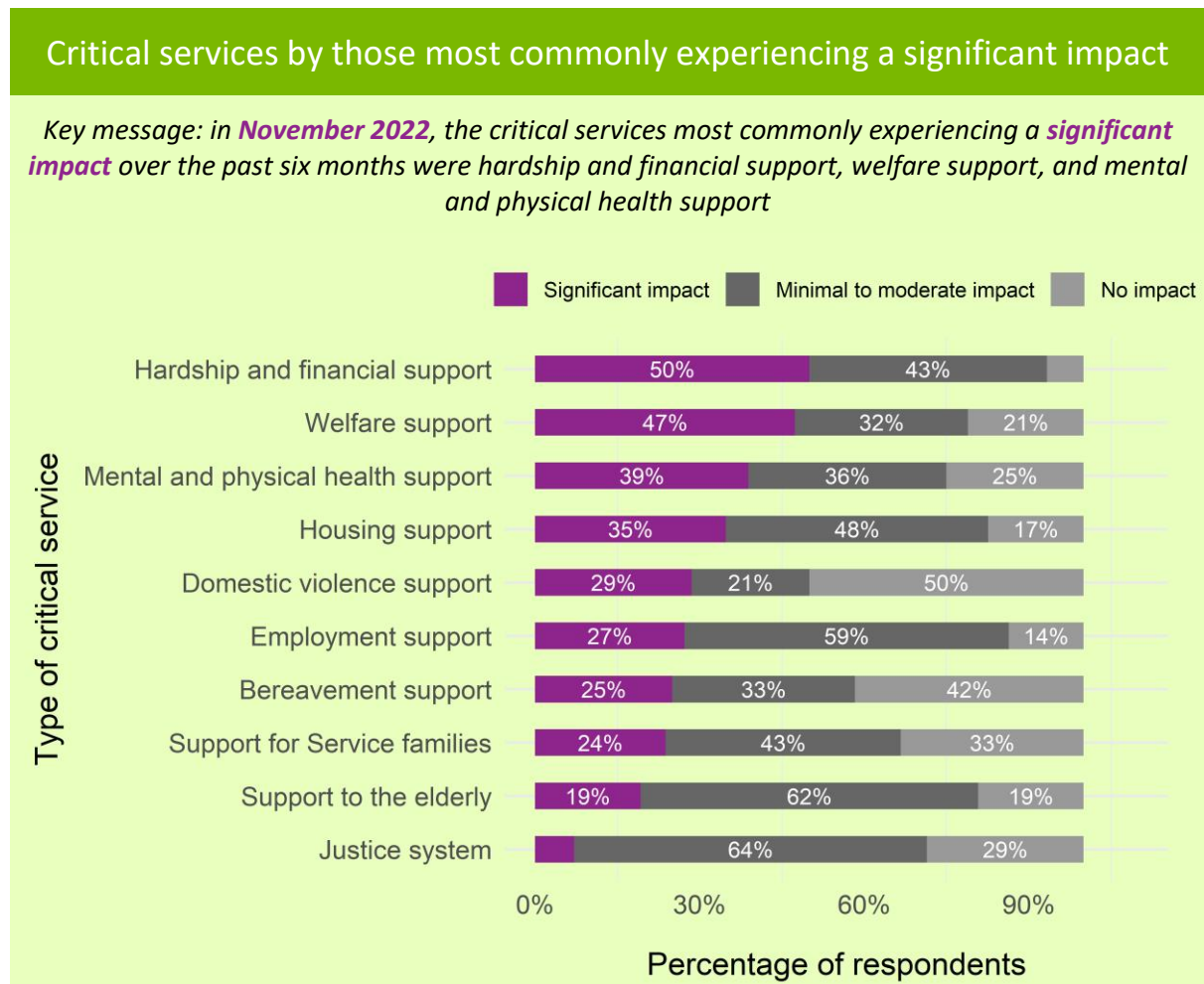
To illustrate the types of critical services for which respondents most commonly experienced different impacts, Figures 2.1 through 2.3 present the same data for November 2022 in three different ways.

2.2.1 Significantly impacted critical services

In November 2022, none of the respondents reported that their critical service was closed or undeliverable.

However, as shown in Figure 2.1, the three types of critical service with the most widespread reports of a significant impact were hardship and financial support (50%), welfare support (47%), and mental and physical health support (39%).

Figure 2.1

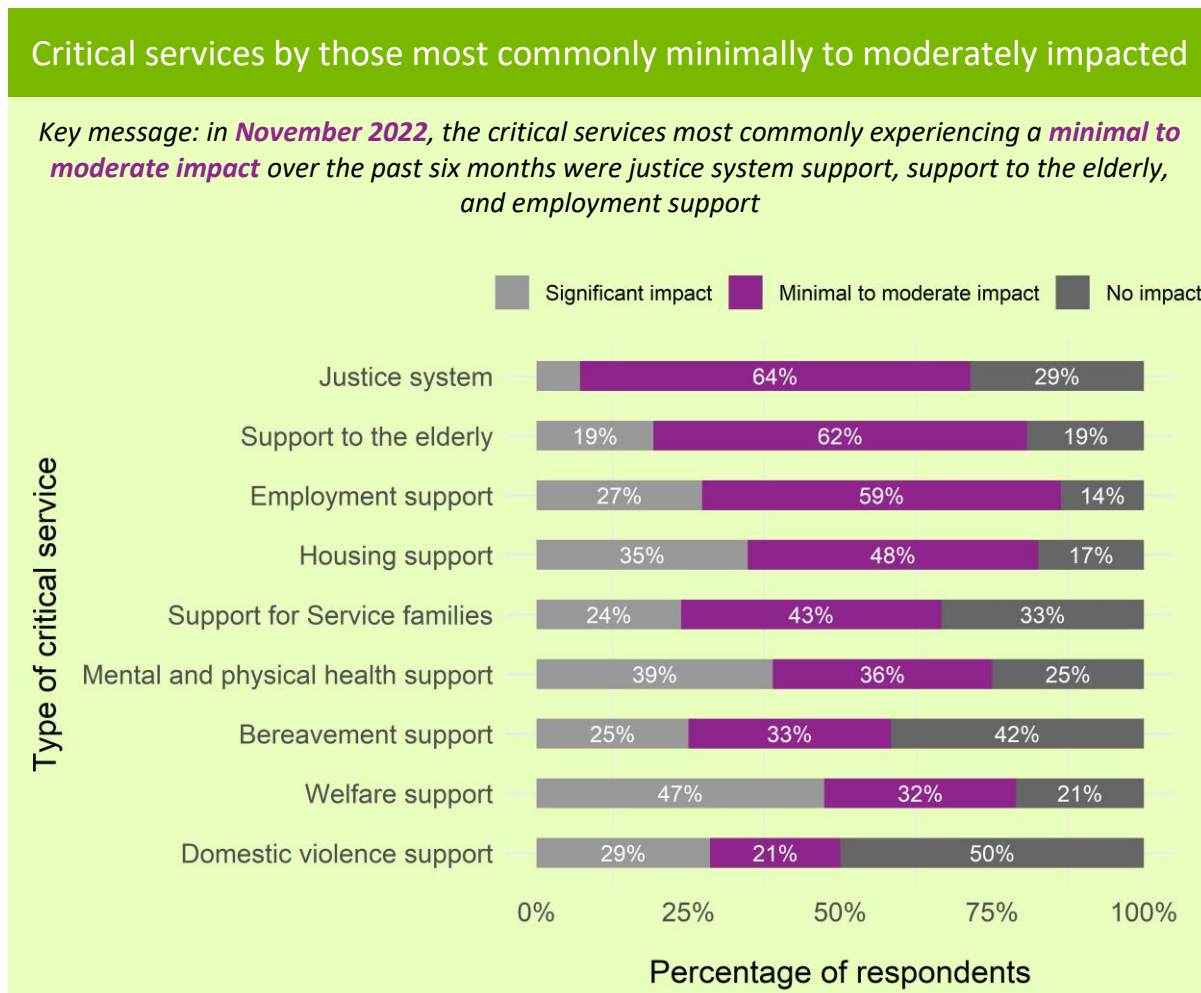


Note: There were a minimum of 28 and a maximum of 38 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

2.2.2 Minimally to moderately impacted critical services

As shown in Figure 2.2, the three types of critical service with the most widespread reports of a minimal to moderate impact were justice system support (64%), support to the elderly (62%), and employment support (59%).

Figure 2.3

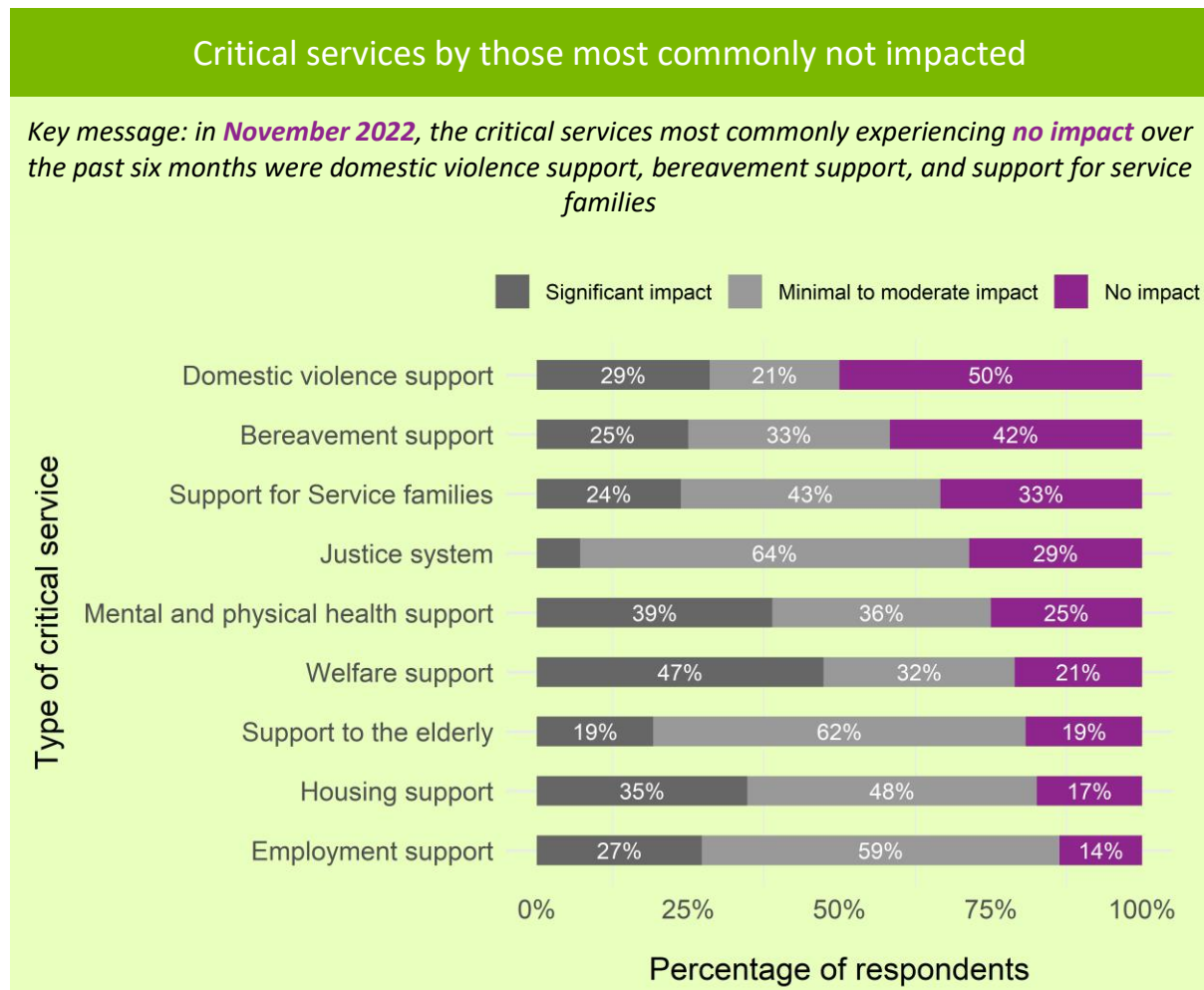


Note: There were a minimum of 28 and a maximum of 38 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

2.2.3 Critical services with no impact

As shown in Figure 2.3, the three types of critical service with the most widespread reports of no impact were domestic violence support (50%), bereavement support (42%), and support for service families (33%).

Figure 2.3



Note: There were a minimum of 28 and a maximum of 38 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

2.2.4 Respondents' comments on how critical services have been impacted

To gain insights from Members about critical services have been impacted, the respondents to DSC's survey were invited to provide further details to describe how their organisation's critical services had been impacted over the last six months.

A number of the respondents provided a qualitative response (n=39). A selection from these responses has been reproduced in Box 2.1 below. It is important to note that respondents' comments are illustrative of their experiences.

Box 2.1

Respondents' comments on how critical services have been impacted

"Fuel costs and staff shortages."

"There is an increase in applicants looking for cheaper rents and a definite increase in veterans losing their homes."

"Little referral onwards for support; staff fatigue; more referrals; more significant need; more social loneliness and isolation."

"Increased demand, and the requirements are more complex."

"Pressure has been taken up in two ways: Our team members are having to take on more case work and so working longer hours, we have had to hire more staff and so lower surplus in order to maintain levels of delivery."

"Prolonged time taken for most statutory bodies and MOD to respond to service users."

"Applications for places on our mindfulness training courses have increased dramatically over the past six months and we are currently not able to increase the number of courses due to the costs."

"Difficulty getting other organisations to collaborate effectively as services have moved to remote; increased younger male veterans calling with complex issues and desperate because they have either been given yet more phone numbers to contact, or have not been phoned back until we do."

"Demand and complexity have increased, with other sources of support stretched or non-existent."

"Demand has increased but we are not fundraising fast enough to be able to employ more staff to increase capacity."

"We are trying to provide services as normal but costs have impacted on the budget and we need to proceed with caution, we cannot pass all the increase onto the residents."

"Increase in demand and problems with suppliers being delayed or unavailable (e.g., mobility equipment and care)."

"There has been an increase in demand from the serving community. These tend to be less well-served by caseworkers and are often more complex. This leads to cases being assessed and supported without the support of other service charities. Also, the reduced number of caseworkers and the continued reduction in face-to-face visits has seen some cases delayed because of lack of information or clients in an anxious state as there is little contact relating to their case."

"We have seen a sharp increase in the average case cost and the complexity of needs with most beneficiaries now requiring support for more than one service."

"Increased requests for support are being dealt with by the same small team who are stretched thinly. This also leads to guilt amongst staff feeling they cannot provide the service level on which they pride themselves."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

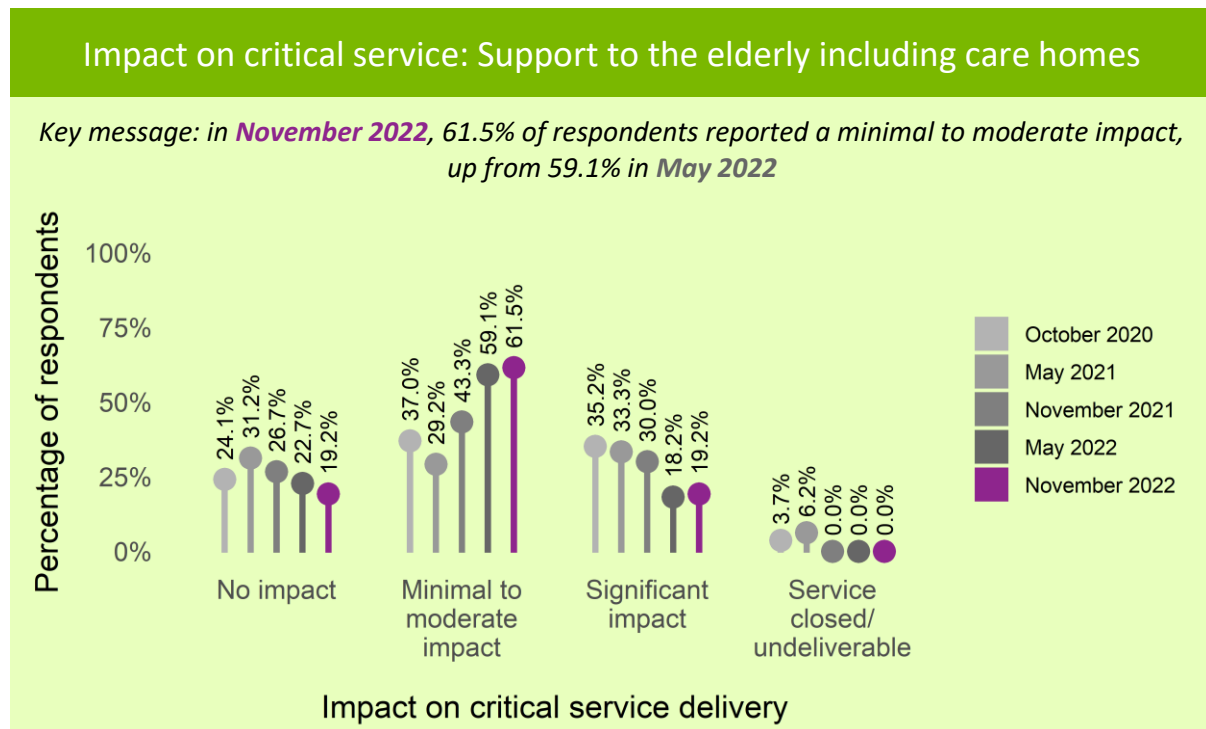
2.3 The most recent data in context

The following section of this chapter presents the most recent data (for November 2022) on impacts on critical services in the context of the previous waves of data collection.

In each chart, the most recent data is shown in purple, whilst previous waves are represented in grey.

2.3.1 Support to the elderly (including care homes)

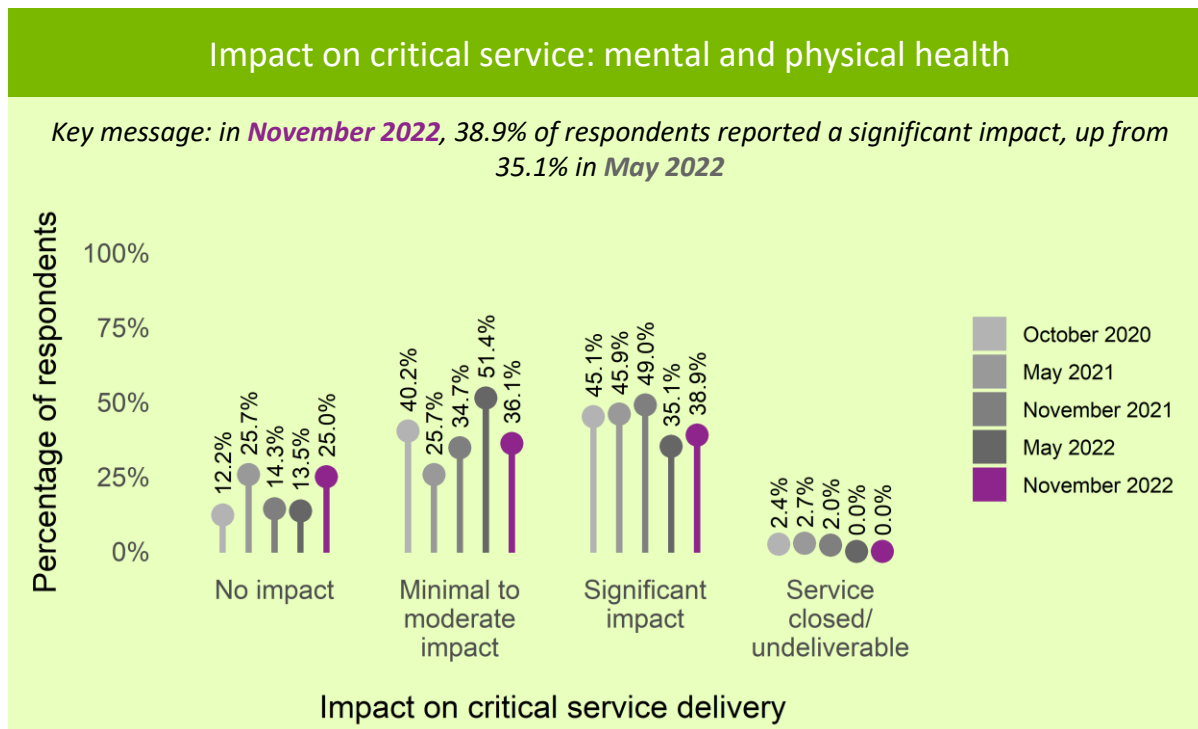
Figure 2.4



Note: There were 26 respondents to this question in November 2022.

2.3.2 Mental and physical health

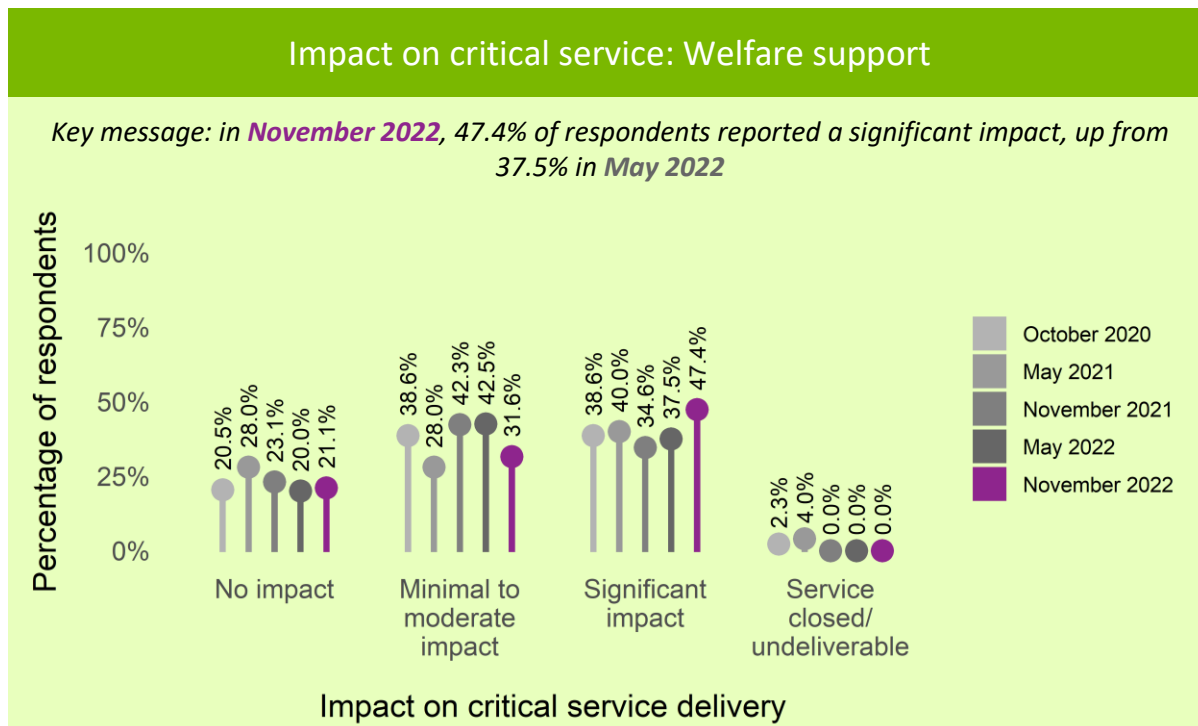
Figure 2.5



Note: There were 36 respondents to this question in November 2022.

2.3.3 Welfare

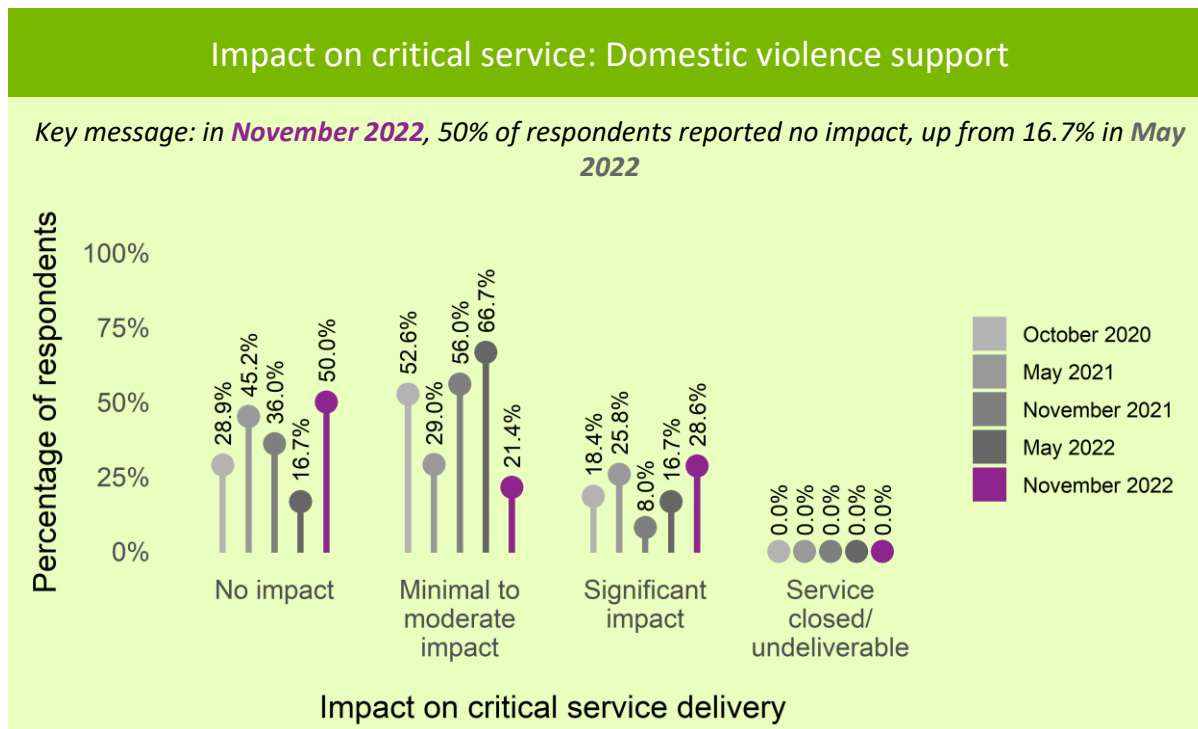
Figure 2.6



Note: There were 38 respondents to this question in November 2022.

2.3.4 Domestic violence

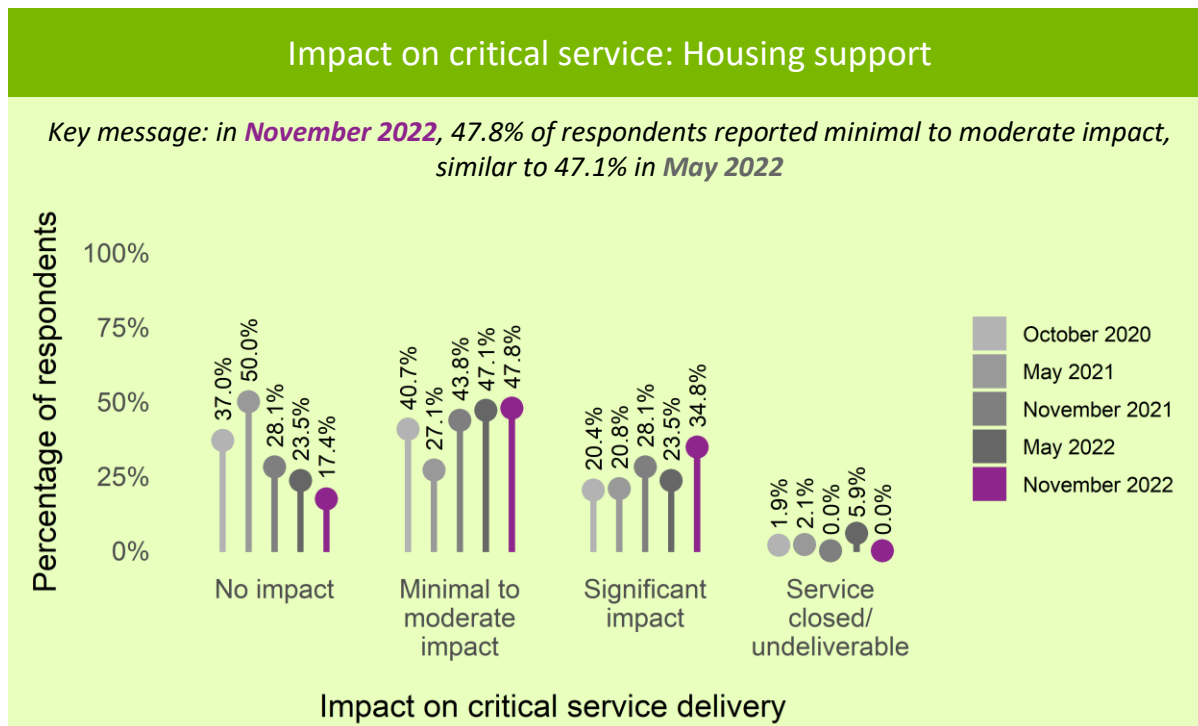
Figure 2.7



Note: There were 14 respondents to this question in November 2022.

2.3.5 Housing

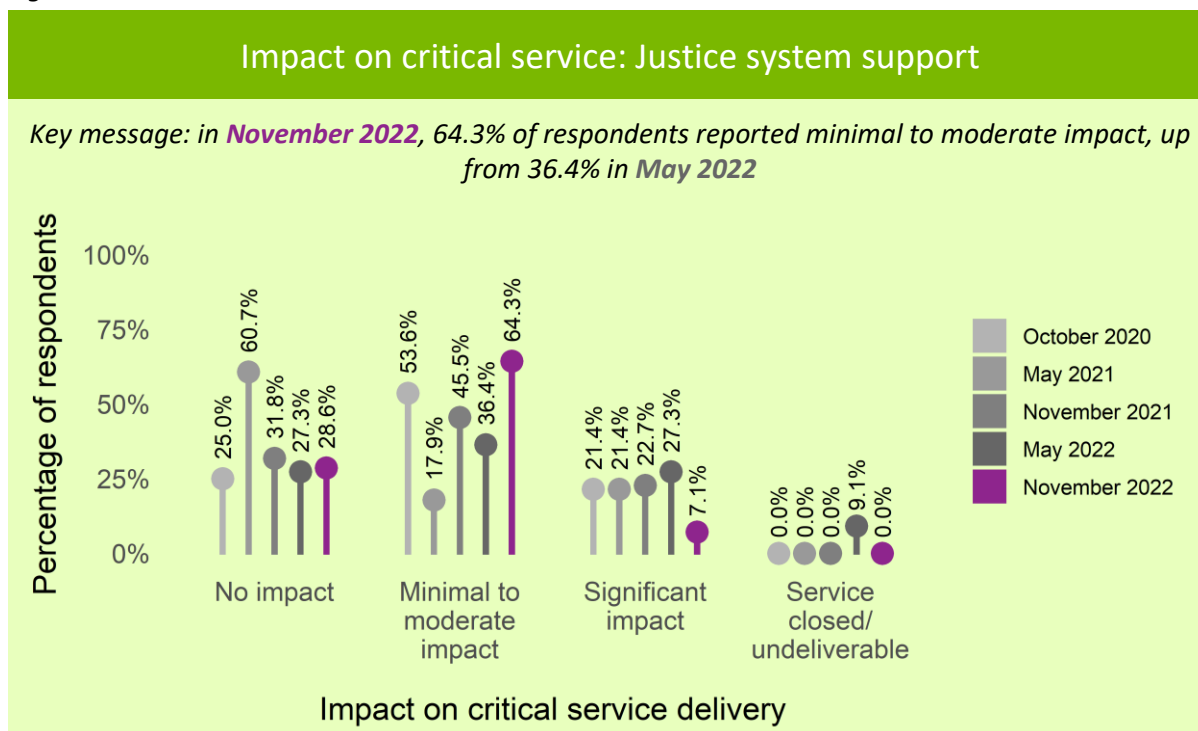
Figure 2.8



Note: There were 23 respondents to this question in November 2022.

2.3.6 Justice system

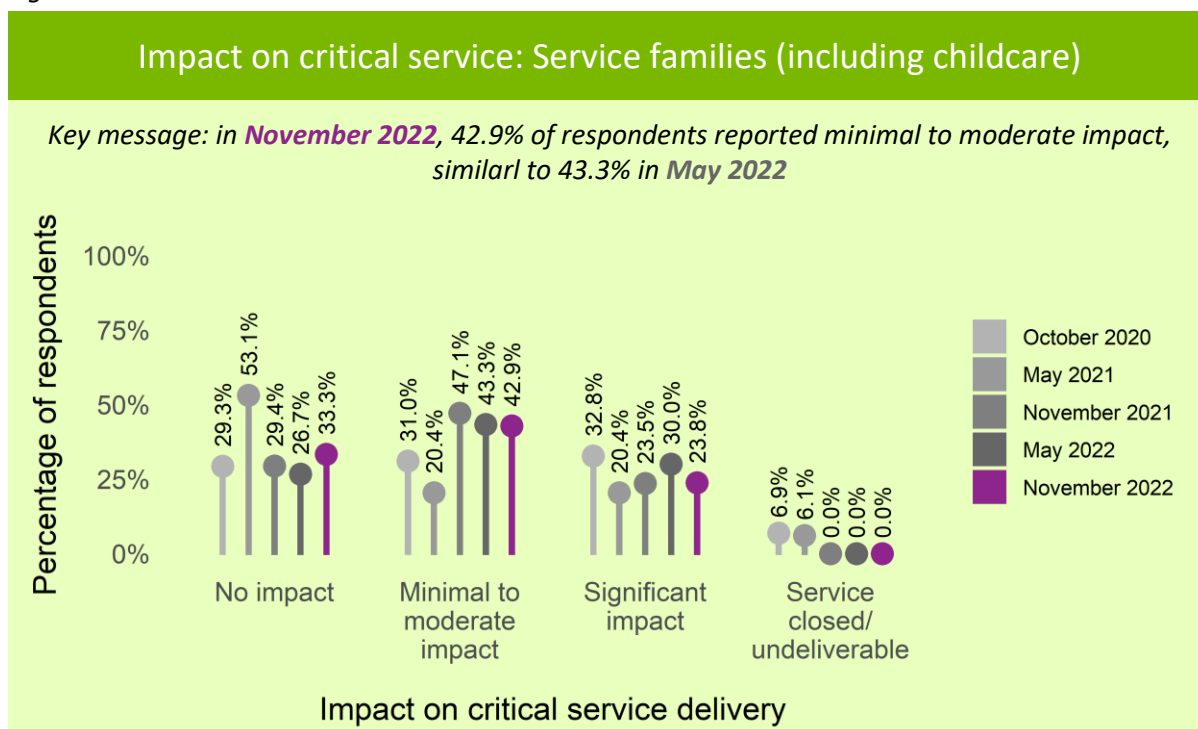
Figure 2.9



Note: There were 14 respondents to this question in November 2022.

2.3.7 Service families (including childcare)

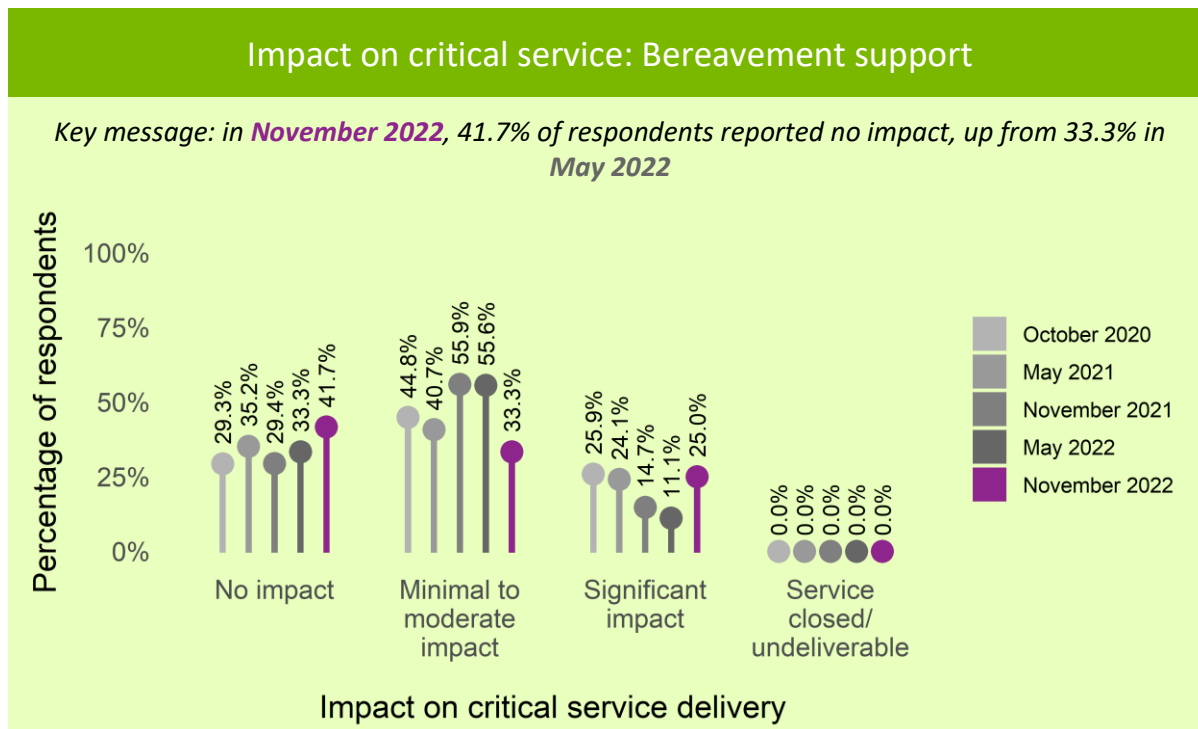
Figure 2.10



Note: There were 21 respondents to this question in November 2022.

2.3.8 Bereavement

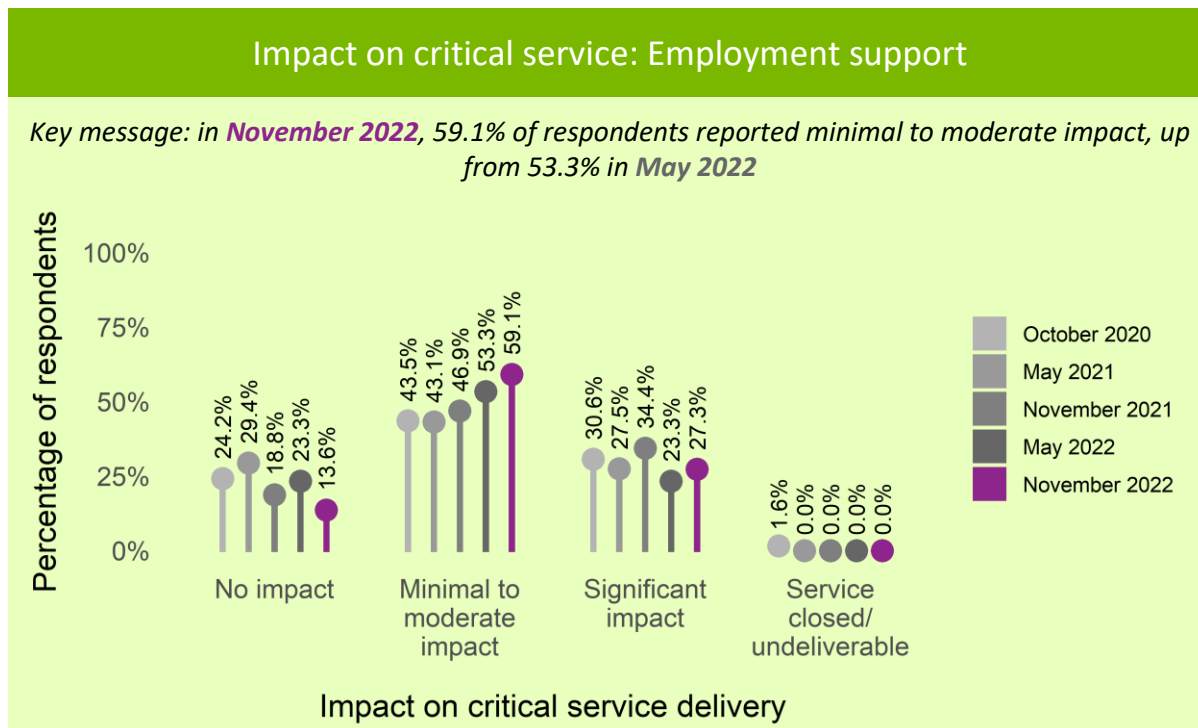
Figure 2.11



Note: There were 24 respondents to this question in November 2022.

2.3.9 Employment

Figure 2.12



Note: There were 22 respondents to this question in November 2022.

CHAPTER 3

Cashflow: Income

This chapter looks at how respondents' monthly income has changed over the past six months – both overall and with respect to specific sources of income.

The first section provides an analysis of the data for November 2022, describing how Members report their income to have changed over the past six months overall and then showing which sources of income the respondents most commonly reported a decrease, an increase, and no change.

The specific sources of income included in DSC's survey were:

- Public donations
- Fundraising events
- Grants
- Sponsorship
- Legacy income
- Trading
- Investment
- Fees for services

The second section then presents the data for each source of income in greater detail, contextualising the latest data with respect to the results from previous Members' surveys.

3.1 Overview of the data in November 2022

3.1.1 Estimated shift in monthly income

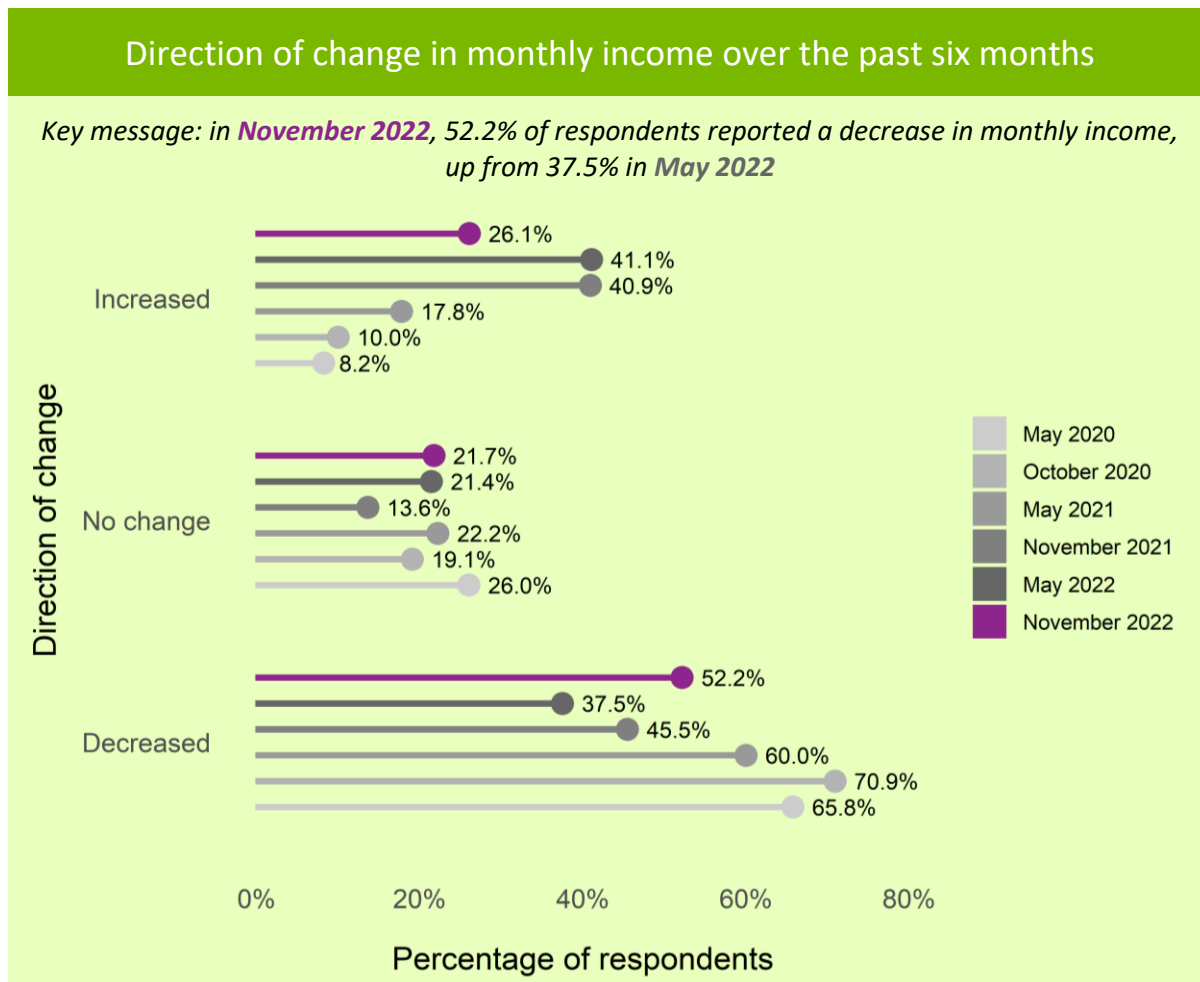
Respondents to DSC's survey were asked to indicate the estimated change in their overall monthly income over the last six months (since May 2022) on a scale ranging from -100% to +100%. For simplicity, DSC's researchers categorised the responses – which ranged from -65% to 90% – into the three categories shown in Figure 3.1.

As Figure 3.1 shows, the respondents most commonly (52.2%) reported a decrease in their monthly income over the past six months. A decrease in monthly income was more common in November 2022 than in May 2022 (37.5%) and November 2021 (45.5%). Meanwhile, just over one-quarter (26.1%) of the respondents reported an increase in their monthly income over the past six months – down notably from approximately two-fifths in May 2022 (41.1%) and November 2021 (40.9%).

As shown in Figure 3.2, the (median) average magnitude of the estimated decrease in monthly income over the past six months was broadly consistent with November 2021 (12.5%) to May 2022 and November 2021 (10%).

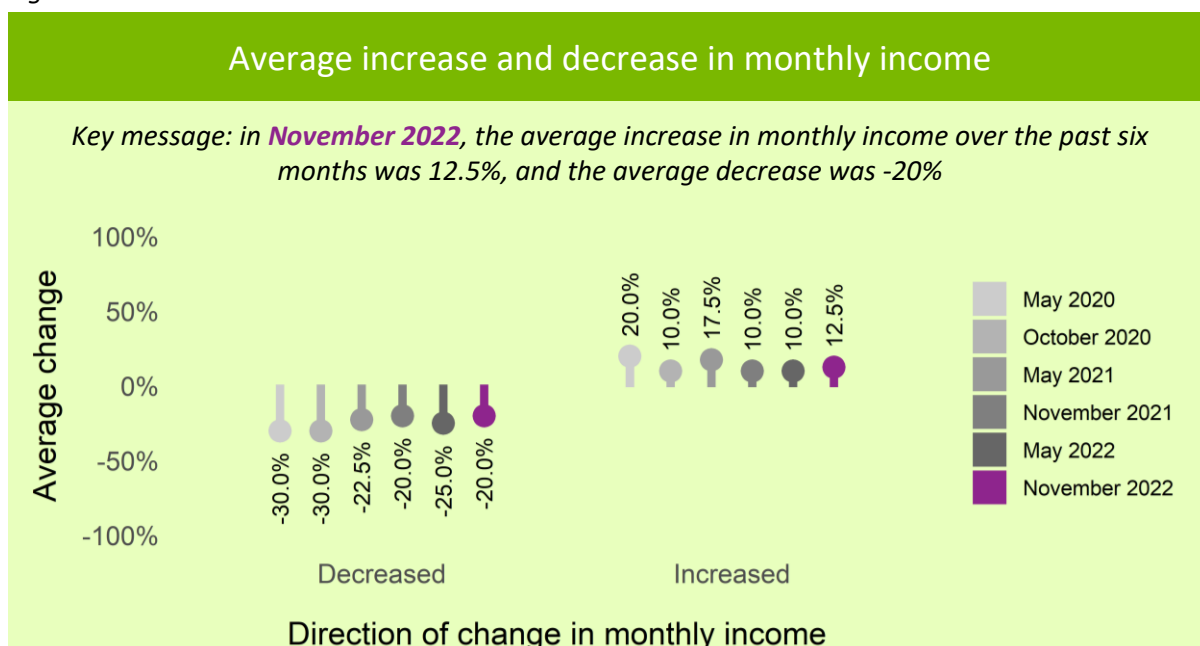
Similarly, the average extent of the estimated increase in income was down slightly in November 2022 (-20%) compared to May 2022 (-25%), and was notably lower in magnitude than during the height of the Covid-19 pandemic (May 2020 and October 2020).

Figure 3.1



Note: There were 46 respondents to this question in November 2022.

Figure 3.2



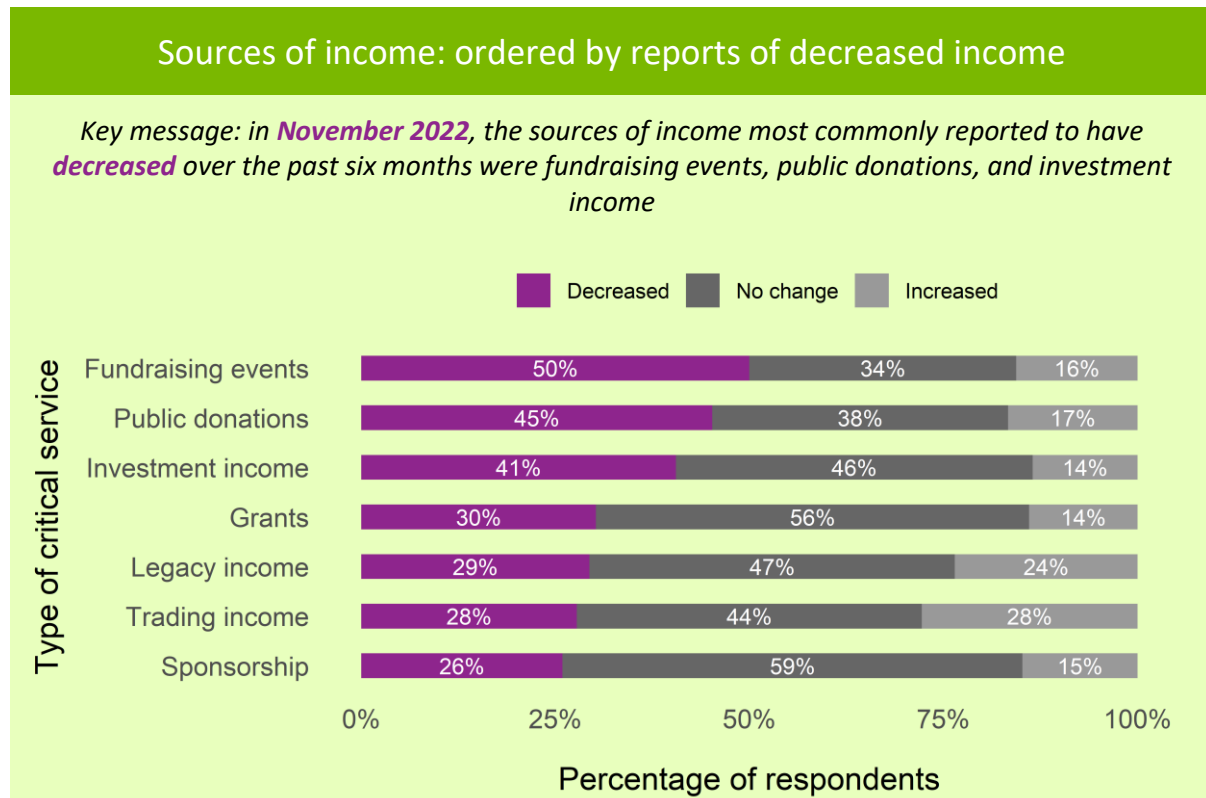
Note: There were 46 respondents to this question in November 2022.

To illustrate the sources of income for which respondents most commonly experienced a decrease, increase, or no change in income, Figures 3.2 through 3.4 present the same data for November 2022 in three different ways.

3.1.2 Sources of income: ordered by reports of decreased income

As shown in Figure 3.2, the three sources of income with the most widespread reports of a decrease in monthly income over the past six months (since May 2022) were fundraising events income (50%), public donations income (45%), and investment income (41%).

Figure 3.2

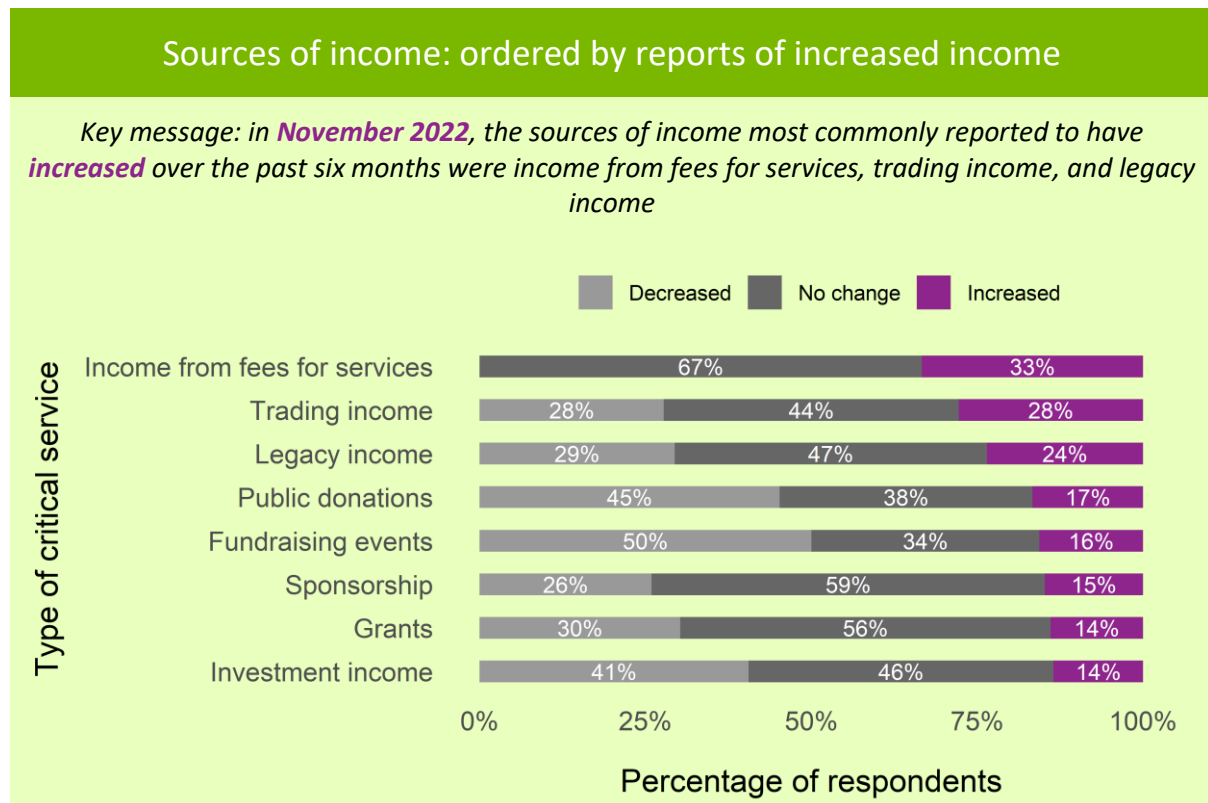


Note: There were a minimum of 18 and a maximum of 43 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

3.1.3 Sources of income: ordered by reports of increased income

Turning now to Figure 3.3, the three sources of income with the most widespread reports of increased monthly income over the past six months (since May 2022) were income from fees for services 33%), trading income (28%), and legacy income (24%).

Figure 3.3

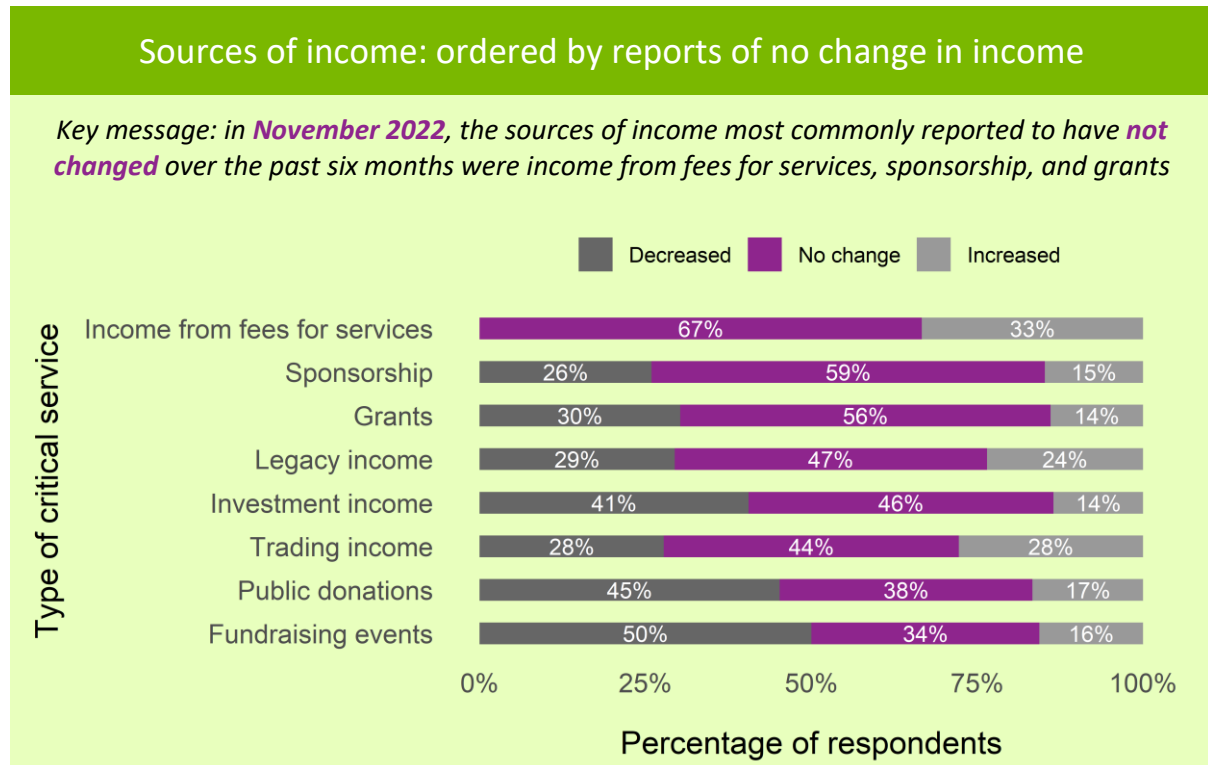


Note: There were a minimum of 18 and a maximum of 43 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

3.1.4 Sources of income: ordered by reports of no change in income

As shown in Figure 3.4, the three sources of income with the most widespread reports of stability (i.e., no change in monthly income over the past six months) were income from fees for services (67%), sponsorship income (59%), and grants income (56%).

Figure 3.4



Note: There were a minimum of 18 and a maximum of 43 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

3.1.5 Respondents' comments on income streams

The respondents to DSC's survey were invited to provide further detail to their responses on their organisation's income streams over the last six months. Themes in the data included a reduction in investment income, income from fundraising or donations, and uncertainty around income in future.

Several respondents provided a qualitative response (n=10). A variety of these responses has been reproduced in Box 3.1 below. It is important to note that respondents' comments are illustrative of their experiences.

Box 3.1

Respondents' comments on income streams

"Income from a rental stream has remained constant."

"We don't actively fundraise but have noticed a sharp fall off in voluntary donations."

"Our investments have taken a hit. However, we are fortunate that our income remains relatively the same."

"Investments have been hard hit and despite an initial bounce back in early 2022 investment income is down. Donations are also low, albeit we do not receive many annually anyway. We have been lucky with two or three legacies, but this is an unknown income that we cannot rely on year on year. Our main income comes from our membership fees, and we lost almost 20% of our membership up to the period ended October 2021, which has a significant impact throughout 2022."

"Cashflow remains strong, helped by the fact that we have no debt to service. We have, however, adopted a far more cautious approach to projects that have even a sliver of discretion and will postpone or cancel those which we deem currently to be too expensive or not value for money."

"Whilst our work with veterans and service personnel is currently funded, we are concerned for the future. Securing funding for the other client groups we support is becoming more challenging and this presents a risk to the entire organisation. As usual, funders/ grant makers are responding to the situation and there is an increased amount of funding to pass on to people struggling with the financial impact of the cost-of-living crisis. However, this is at the expense of funding for services/ support."

"Grants/ subscriptions from member organisations and other charities remain where we expect them to be; our Scottish Government grant has been reduced."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

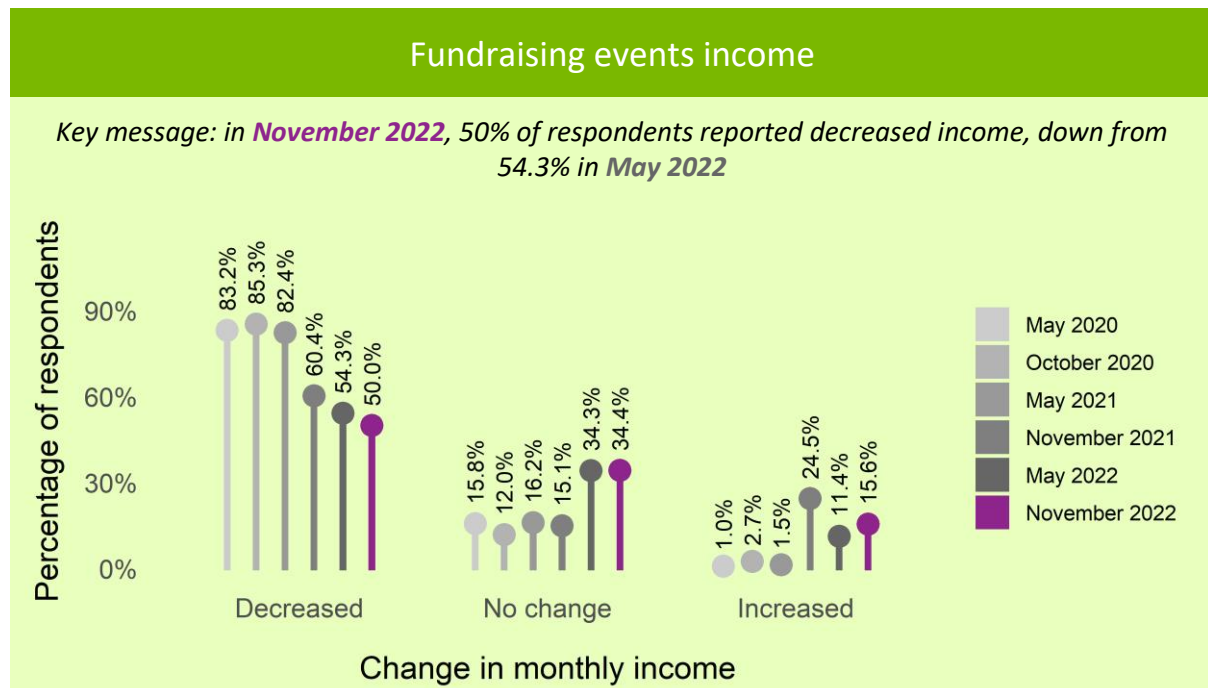
3.2 The most recent data in context

The following section of this chapter presents the most recent data (for November 2022) on changes in monthly income in the context of the previous waves of data collection.

In each chart, the most recent data is shown in purple, whilst previous waves are represented in grey.

3.2.1 Fundraising events income

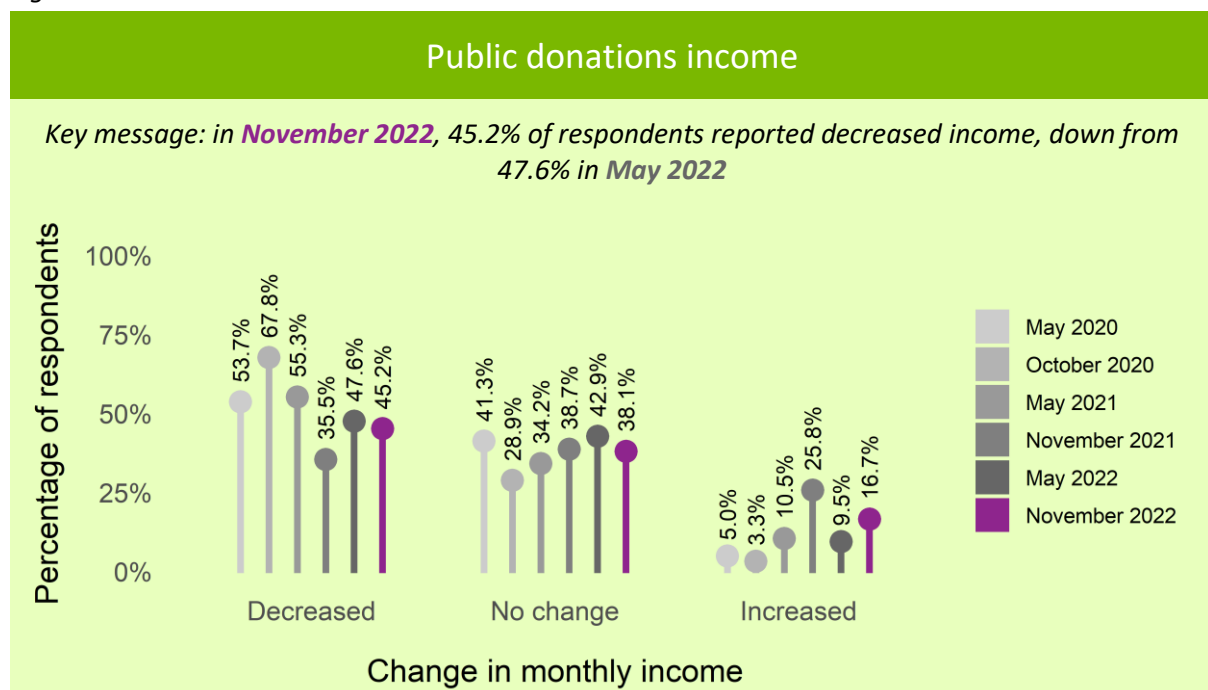
Figure 3.5



Note: There were 32 respondents to this question in November 2022.

3.2.2 Public donations income

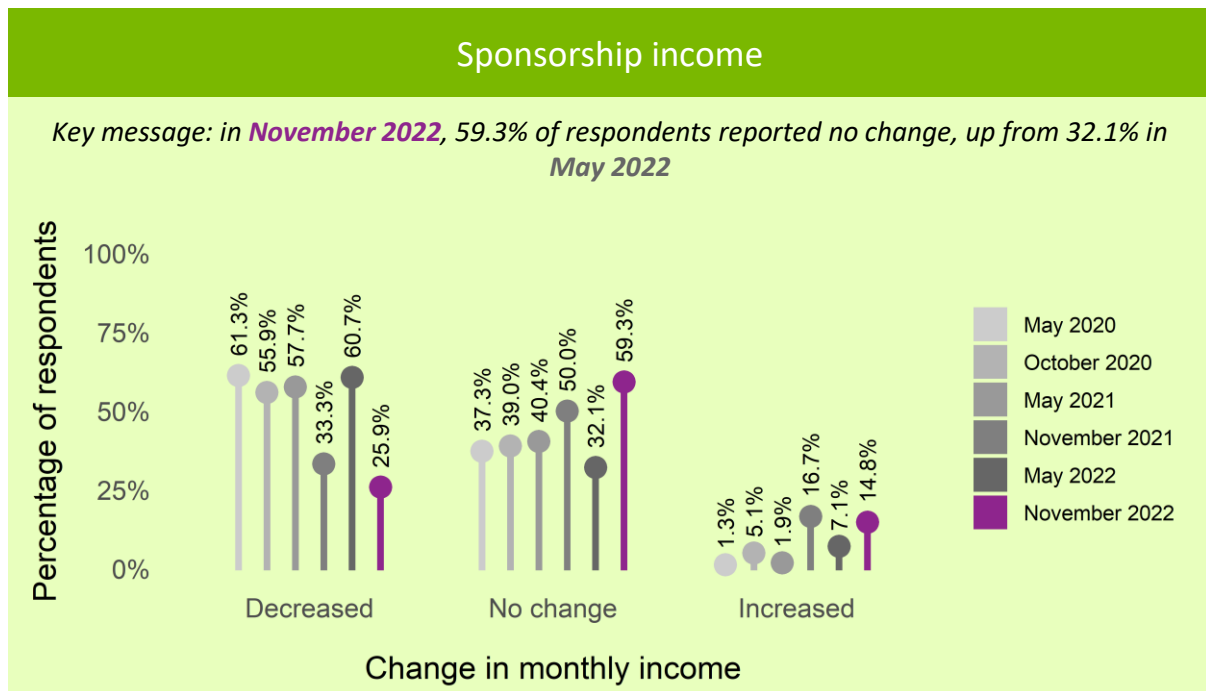
Figure 3.6



Note: There were 42 respondents to this question in November 2022.

3.2.3 Sponsorship income

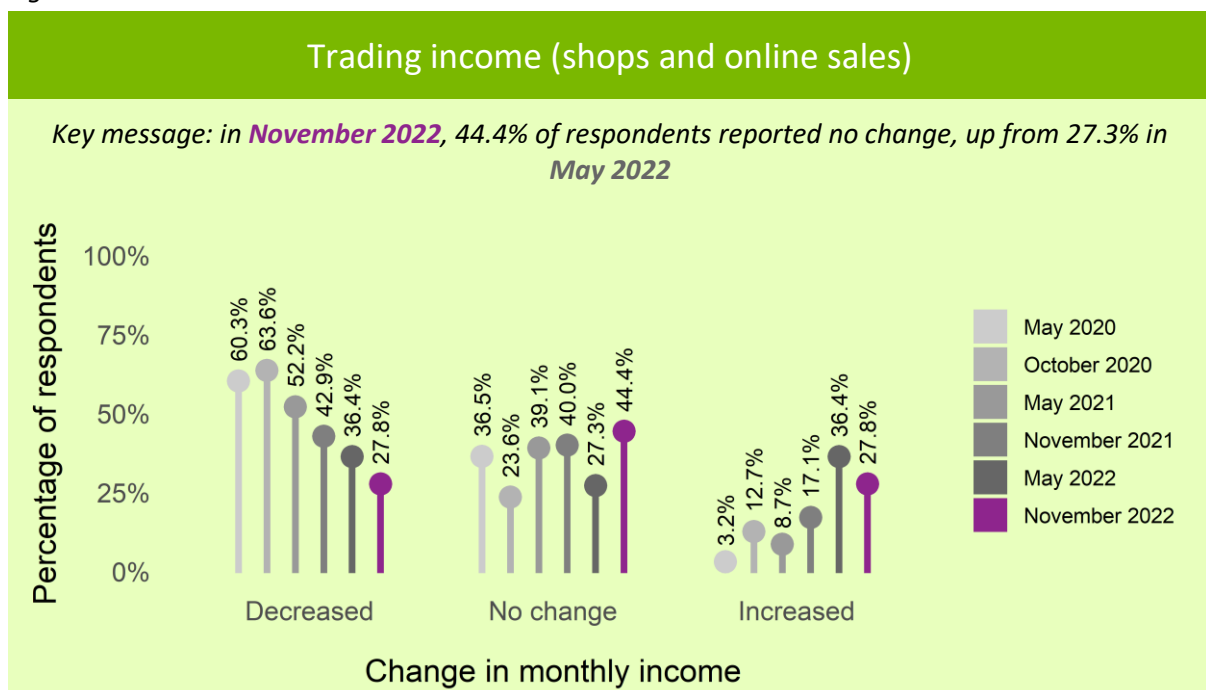
Figure 3.7



Note: There were 27 respondents to this question in November 2022.

3.2.4 Trading income

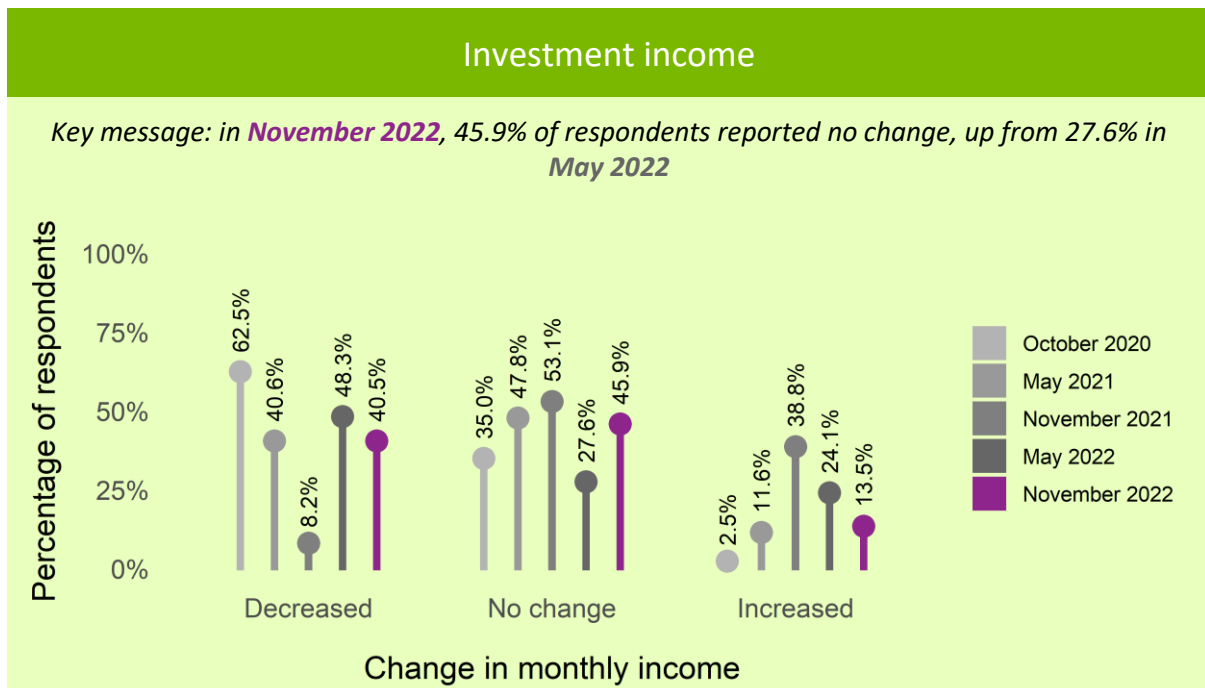
Figure 3.8



Note: There were 18 respondents to this question in November 2022.

3.2.5 Investment income

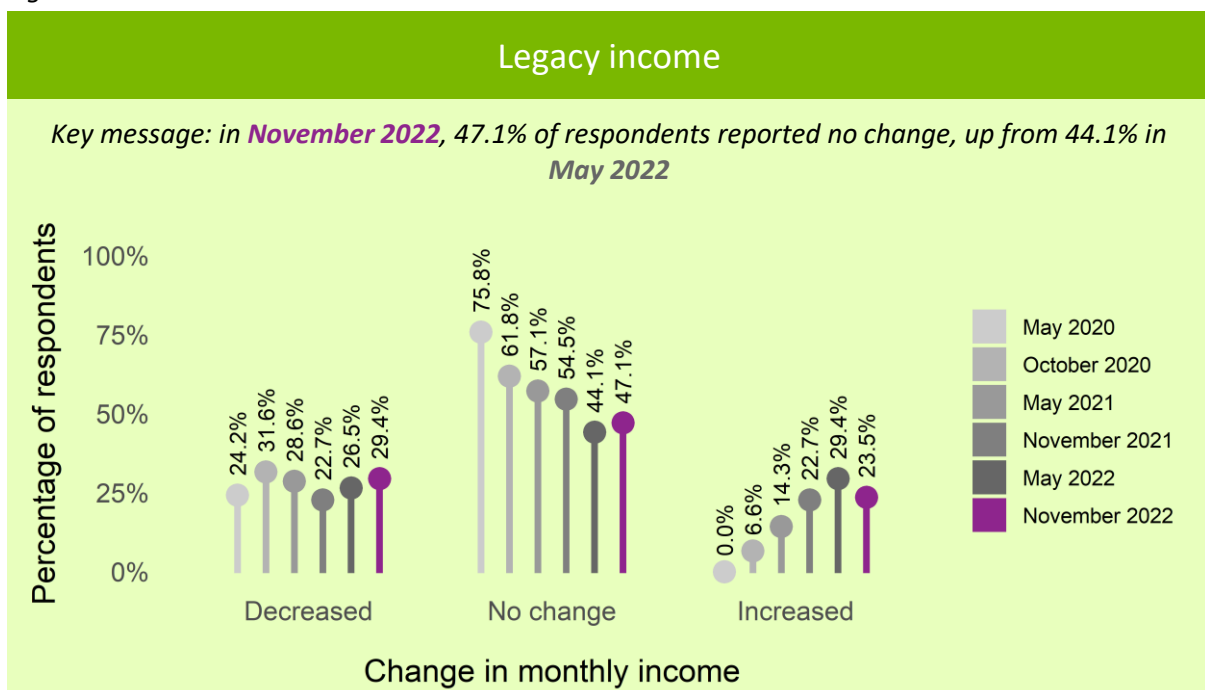
Figure 3.9



Note: There were 37 respondents to this question in November 2022.

3.2.6 Legacy income

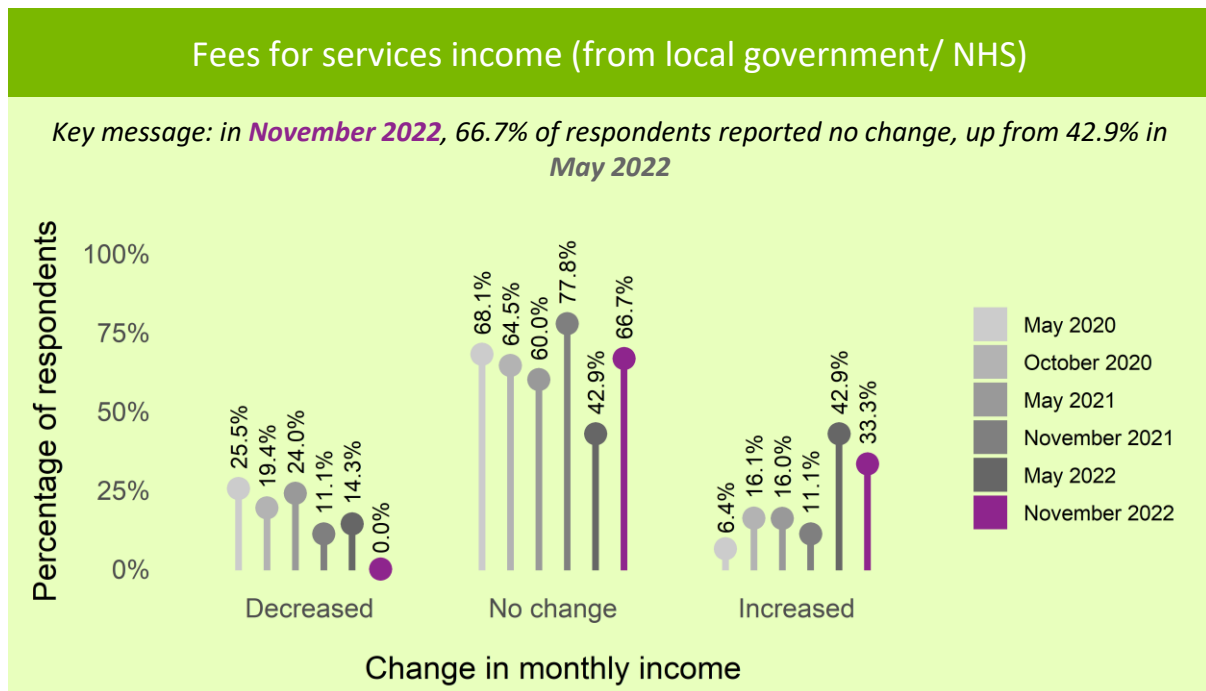
Figure 3.10



Note: There were 34 respondents to this question in November 2022.

3.2.7 Fees for services income

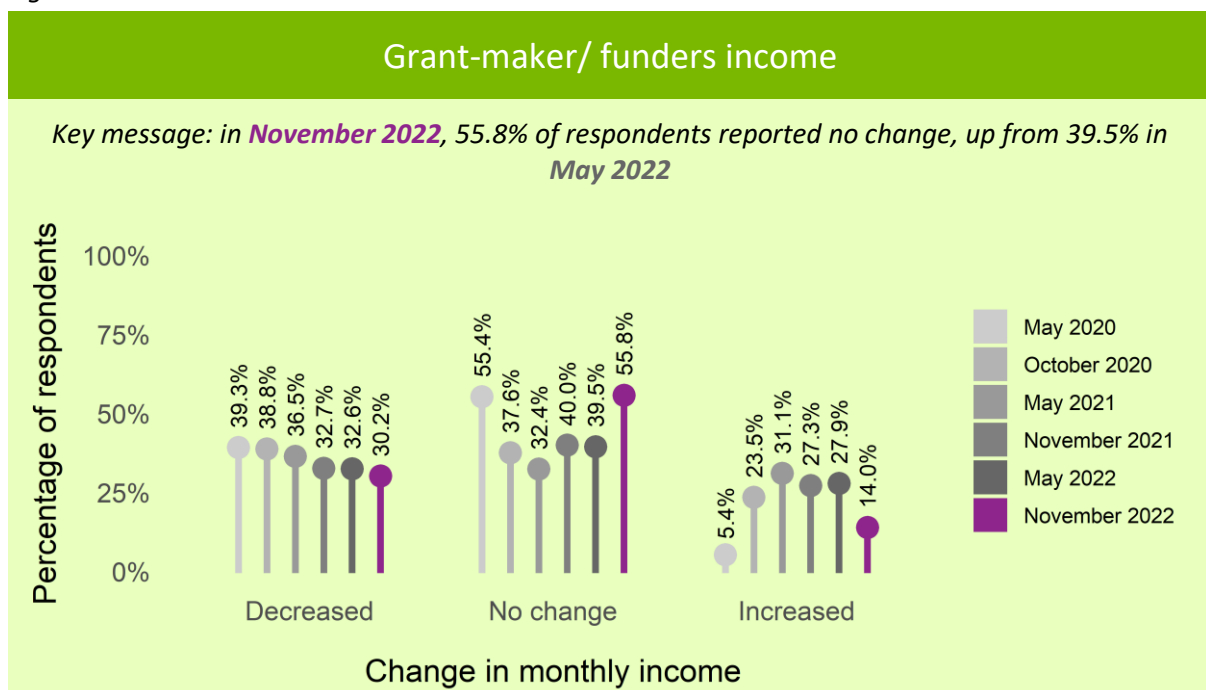
Figure 3.11



Note: There were 9 respondents to this question in November 2022.

3.2.8 Grant-maker and funders income

Figure 3.12



Note: There were 43 respondents to this question in November 2022.

CHAPTER 4

Cashflow: Expenditure

4.1 Introduction

This chapter looks at how respondents' monthly expenditure has changed over the past six months. As in the previous chapter, this includes expenditure overall and specific streams of expenditure.

The first section provides an analysis of the data for November 2022, describing how Members report their expenditure to have changed over the past six months overall and then showing the specific streams of expenditure for which respondents most commonly reported a decrease, an increase, and no change. The streams of expenditure included in DSC's survey were:

- Service delivery costs
- Overheads
- Staff costs
- Volunteer management costs
- Governance costs
- Fundraising costs
- Grant-making to individuals
- Grant-making to organisations

The second section then presents the data for each stream of expenditure in greater detail, contextualising the latest data with respect to the results from previous Members' surveys.

4.2 Overview of the data in November 2022

4.2.1 Overall changes in expenditure

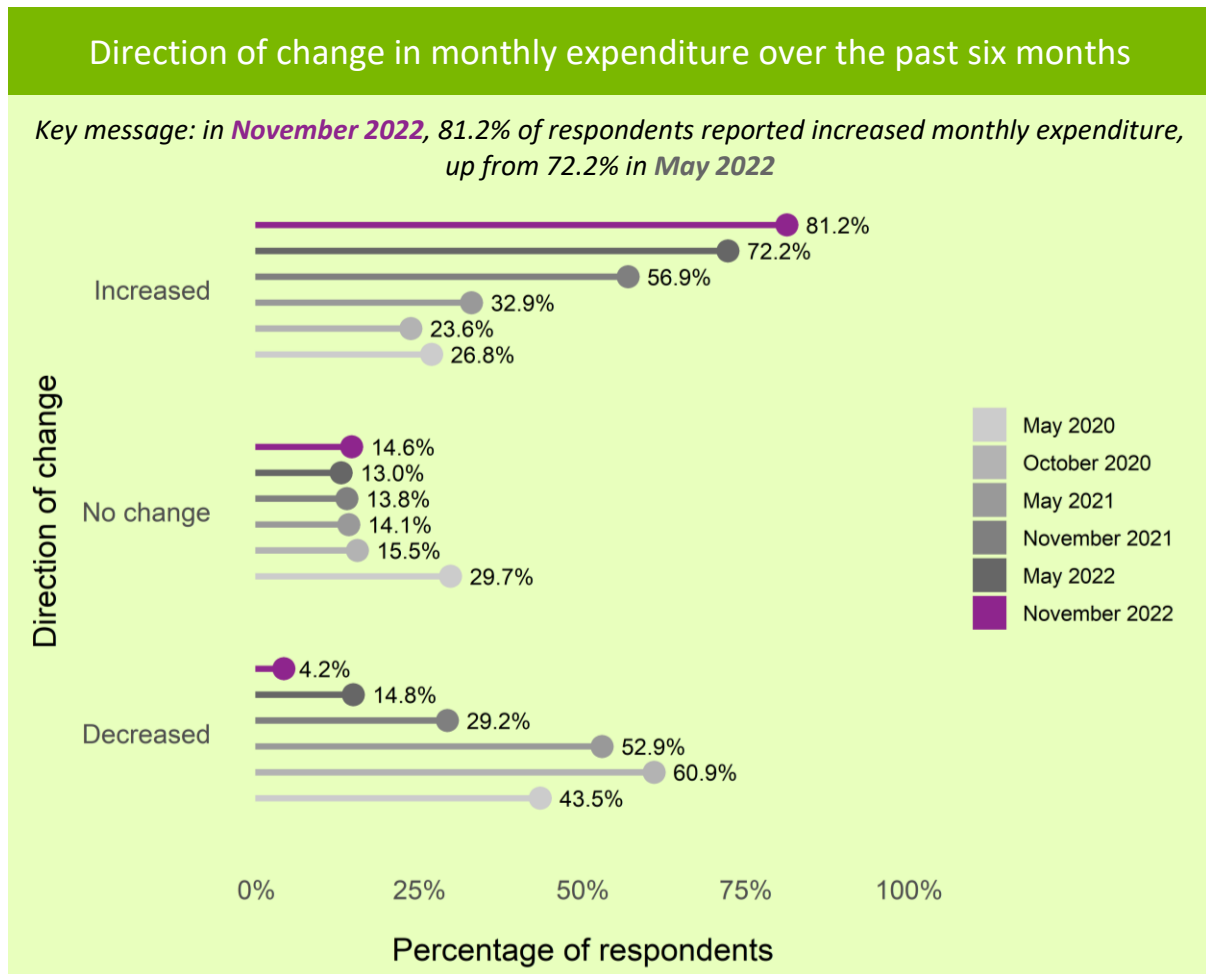
The respondents to DSC's survey were asked to indicate the estimated change in their overall monthly expenditure over the last six months on a scale ranging from -100% to +100%. For simplicity, DSC's researchers categorised the responses – which ranged from -40% to 70% – into the four categories shown in Figure 4.1.

The overwhelming majority (81.2%) of the respondents reported an increase in their monthly expenditure over the past six months. In the context of previous surveys, the percentage of respondents reporting an increase in their expenditure has grown consistently since October 2020, when 23.6% of Members surveyed reported an increase.

Moreover, as shown in Figure 4.2, the (median) average magnitude of the increase in expenditure reported by the respondents was higher in November 2022 (20%) than all previous surveys.

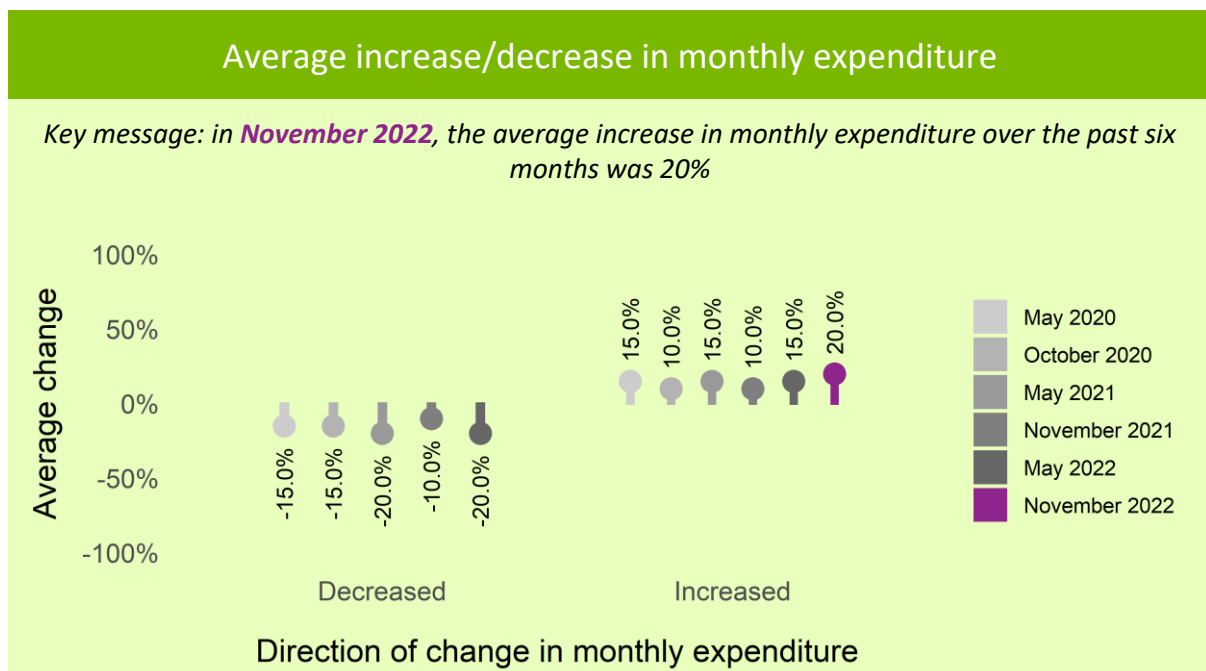
Meanwhile, only 4.2% of the respondents reported a decrease in their monthly expenditure. This was down from 14.8% in the previous survey and has fallen consistently since its highest point in October 2020, when 60.9% of the Members surveyed reported a decrease in their expenditure.

Figure 4.1



Note: There were 48 respondents to this question in November 2022.

Figure 4.2



Note: There were 48 respondents to this question in November 2022. The average decrease in expenditure for November 2022 could not be calculated due to insufficient data points (n=2).

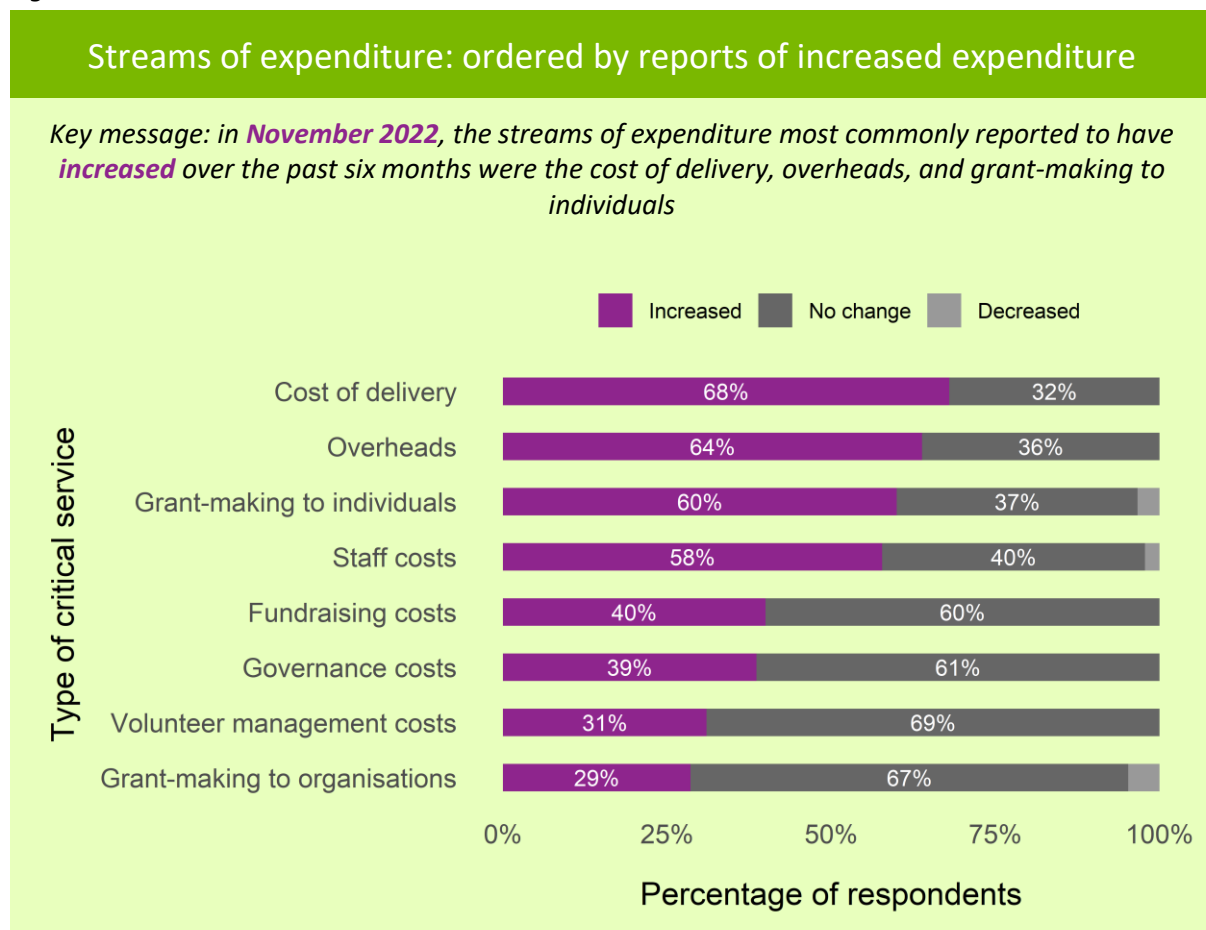
To illustrate the sources of expenditure for which respondents most commonly experienced a decrease, increase, or no change in expenditure, Figures 4.2 through 4.4 present the same data for November 2022 in three different ways.

4.2.2 Streams of expenditure: ordered by reports of increased expenditure

As shown in Figure 4.2, the three streams of expenditure with the most widespread reports of increased monthly expenditure over the past six months (since May 2022) were expenditure on cost of delivery (68%), overheads (64%), and grant-making to individuals (60%).

It is important to highlight the notable changes in overheads expenditure (up from 32.7% in May 2022) and grant-making to individuals (up from 43.3% in May 2022) relative to the previous Cobseo Members' survey. This could represent the changes in the socio-economic context with respect to the cost of living, affecting both charities (in terms of overheads) and beneficiaries (in terms of demand for financial assistance through grants to individuals).

Figure 4.2



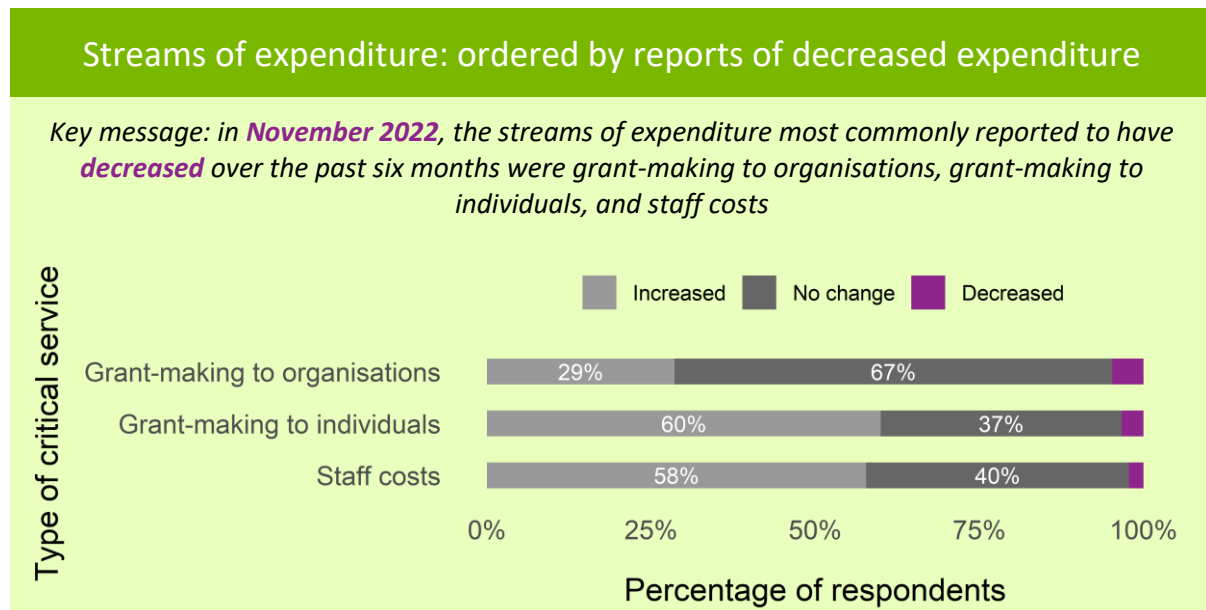
Note: There were a minimum of 21 and a maximum of 45 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

4.2.3 Streams of expenditure: ordered by reports of decreased expenditure

As shown in Figure 4.3, only three streams of expenditure saw reports of a decrease in monthly expenditure over the past six months (since May 2022), each reported by a small minority of the respondents.

These were expenditure on grant-making to organisations (4.8%), grant-making to individuals (3.3%), and staff costs (2.2%). These percentages are not shown in the figure for reasons of space.

Figure 4.3

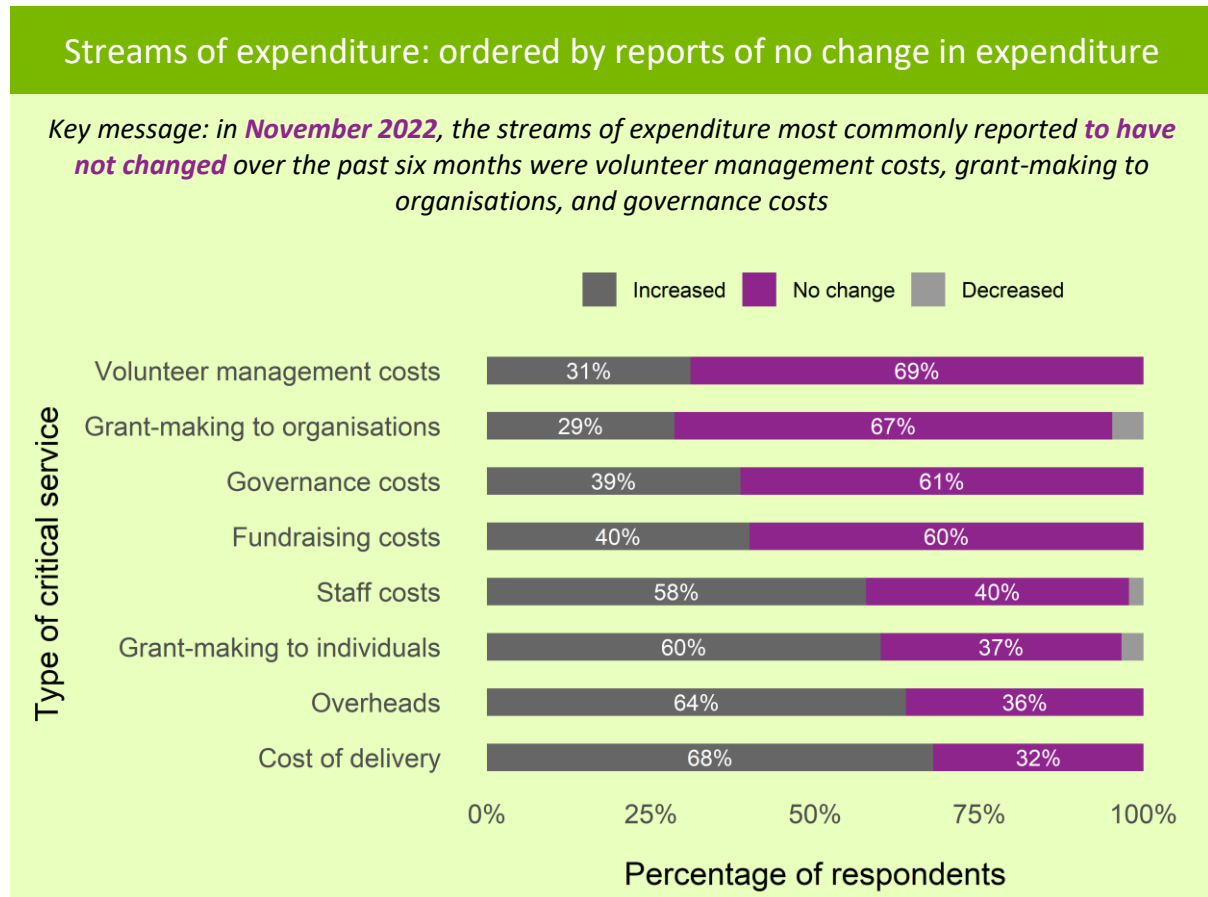


Note: There were a minimum of 21 and a maximum of 45 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

4.2.4 Streams of expenditure: ordered by reports of no change in expenditure

As shown in Figure 4.2, the three streams of expenditure with the most widespread reports of no change in monthly expenditure over the past six months (since May 2022) were volunteer management costs (69%), grant-making to organisations (67%), and governance costs (61%). Compared to the other streams of expenditure included in DSC's survey, fundraising costs also remained a relatively stable type of expenditure over the past six months.

Figure 4.4



Note: There were a minimum of 21 and a maximum of 45 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

4.2.5 Respondents' comments on expenditure streams

The respondents to DSC's survey were invited to provide any further detail to their responses on their organisation's expenditure streams over the last six months.

Several respondents provided a qualitative response (n=5). An illustrative selection from these responses has been reproduced in Box 4.1 below. It is important to note that respondents' comments are illustrative of their experiences.

Box 4.1

Respondents' comments on expenditure streams

"We provide an in-house trustee grant to our tenants in need. There has been an increase in tenants asking for support."

"Day-to-day administration costs for the organisation are increasing. This has a knock-on effect on the services and delivery as everything is getting gradually more expensive. Rising fuel costs also have an impact on the volunteer expenses."

"We have yet to undertake our annual salary review, but I suspect salary costs will increase to at least partially mitigate inflation. We have also just agreed to pay a cost-of-living salary bonus to

employees, and we had received evidence that some employees were seeking additional employment and using food banks to make ends meet."

"Staff costs have increased as we have taken on an additional member of staff; this was planned, and costs are covered by a grant."

"Staff costs will rise significantly in April per our regular review."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

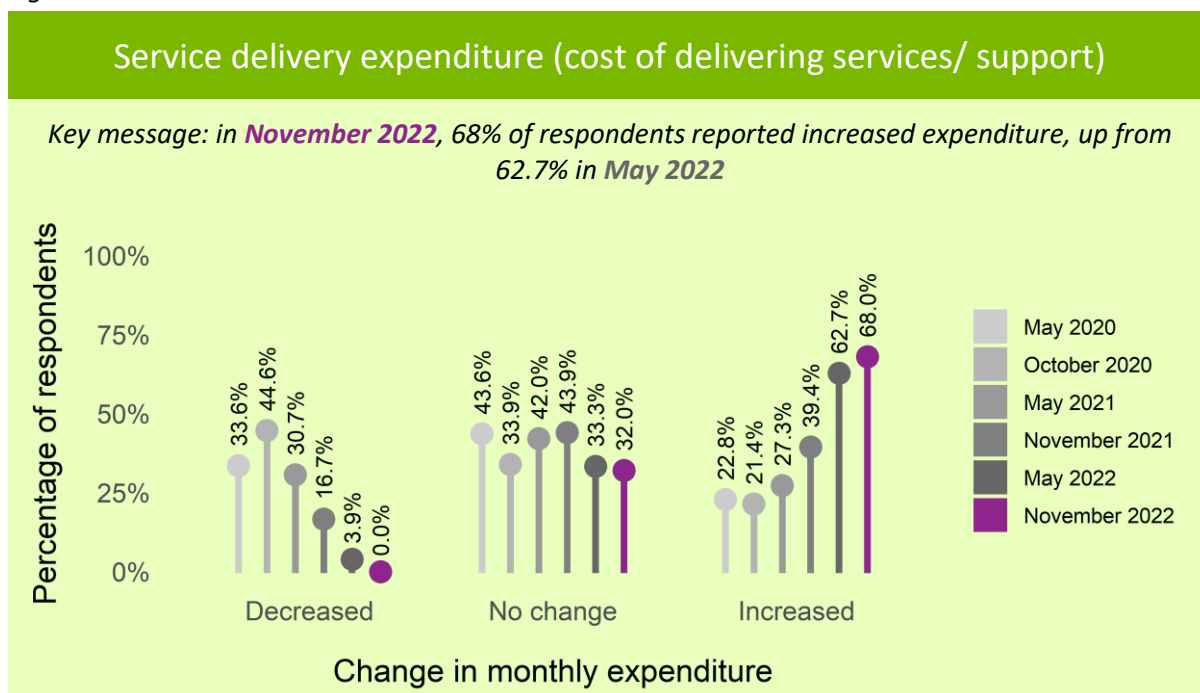
4.3 The most recent data in context

The following section of this chapter presents the most recent data (for November 2022) on changes in monthly expenditure in the context of the previous waves of data collection.

In each chart, the most recent data is shown in purple, whilst previous waves are represented in grey.

4.3.1 Service delivery expenditure

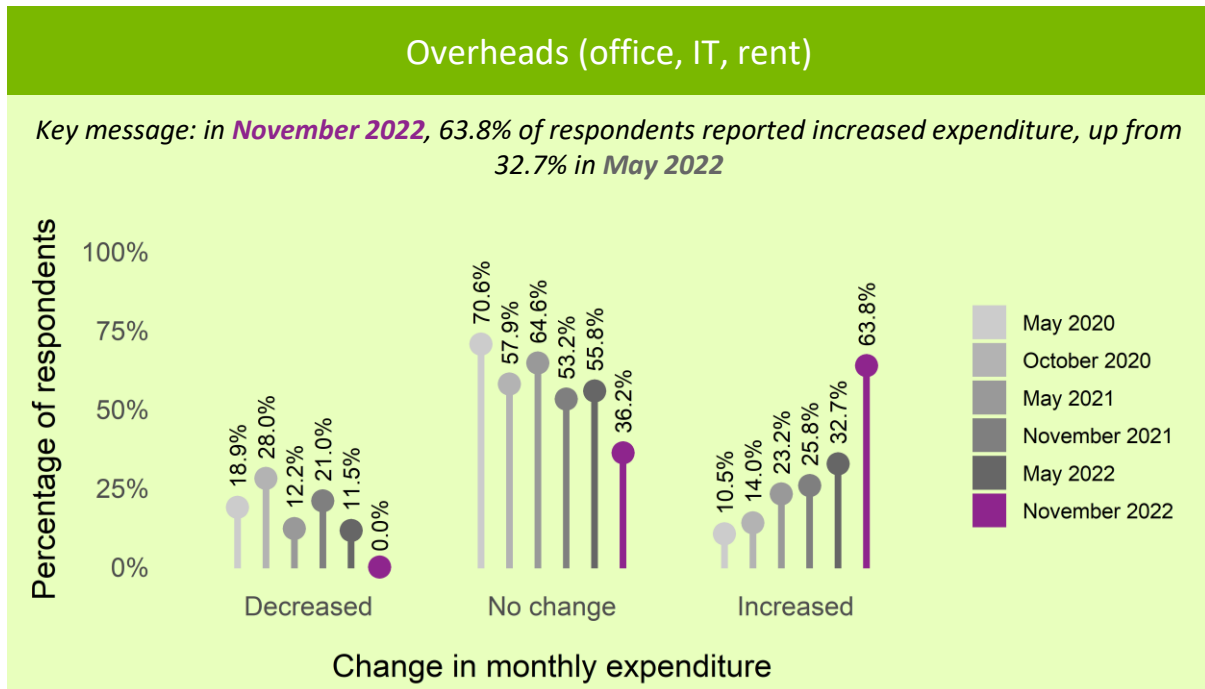
Figure 4.5



Note: There were 50 respondents to this question in November 2022.

4.3.2 Overheads expenditure

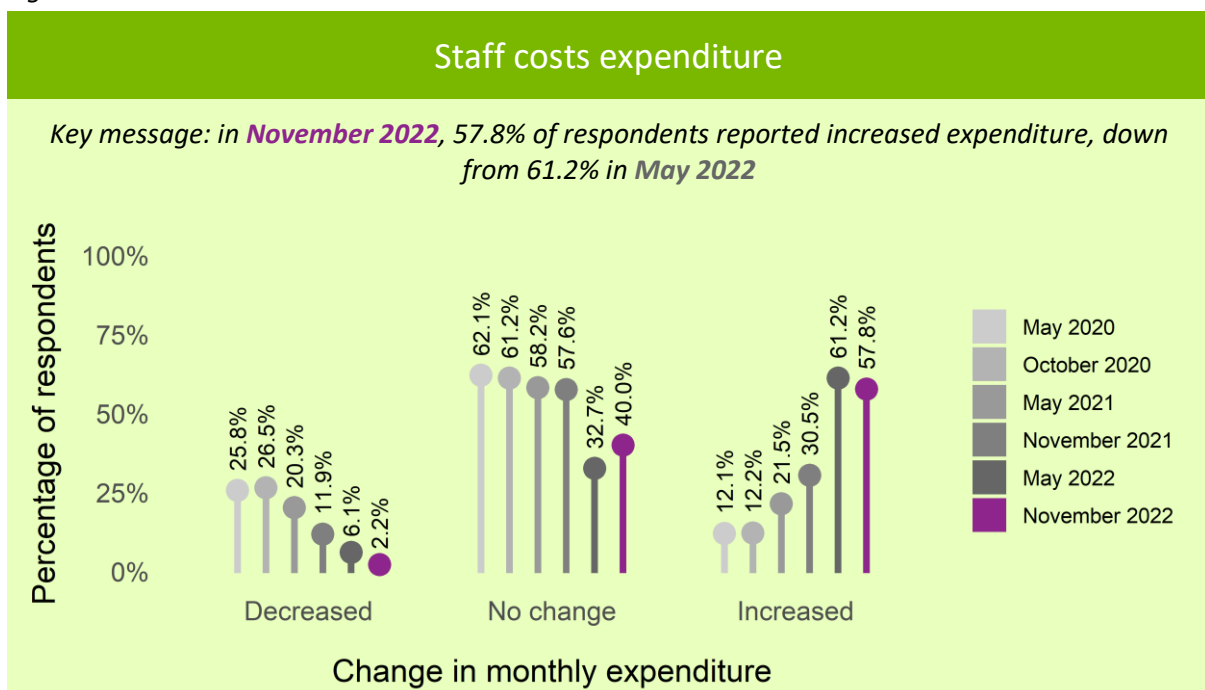
Figure 4.6



Note: There were 47 respondents to this question in November 2022.

4.3.3 Staff costs expenditure

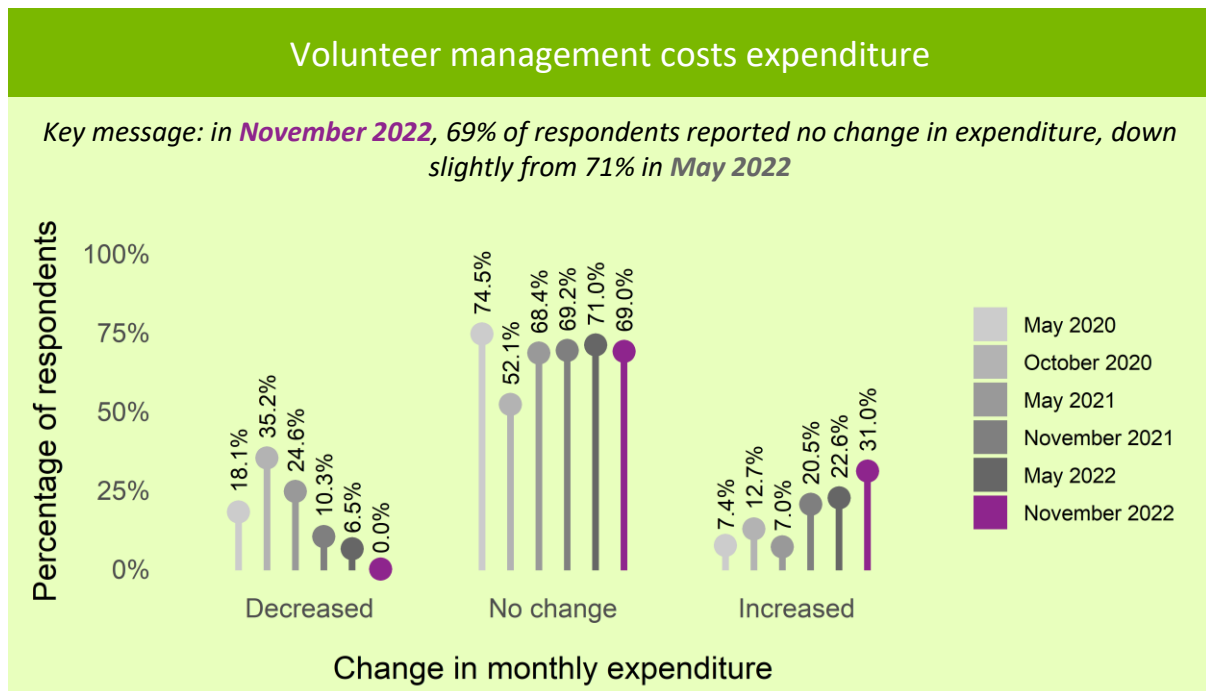
Figure 4.7



Note: There were 45 respondents to this question in November 2022.

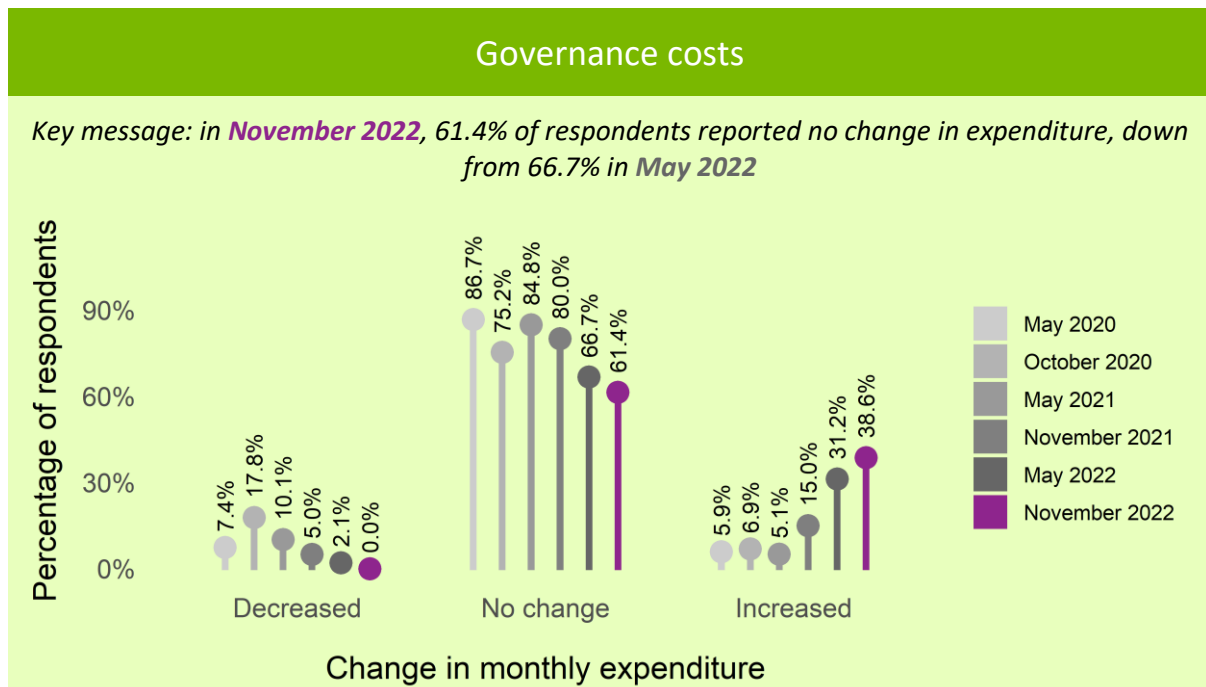
4.3.4 Volunteer management expenditure

Figure 4.8



4.3.5 Governance costs

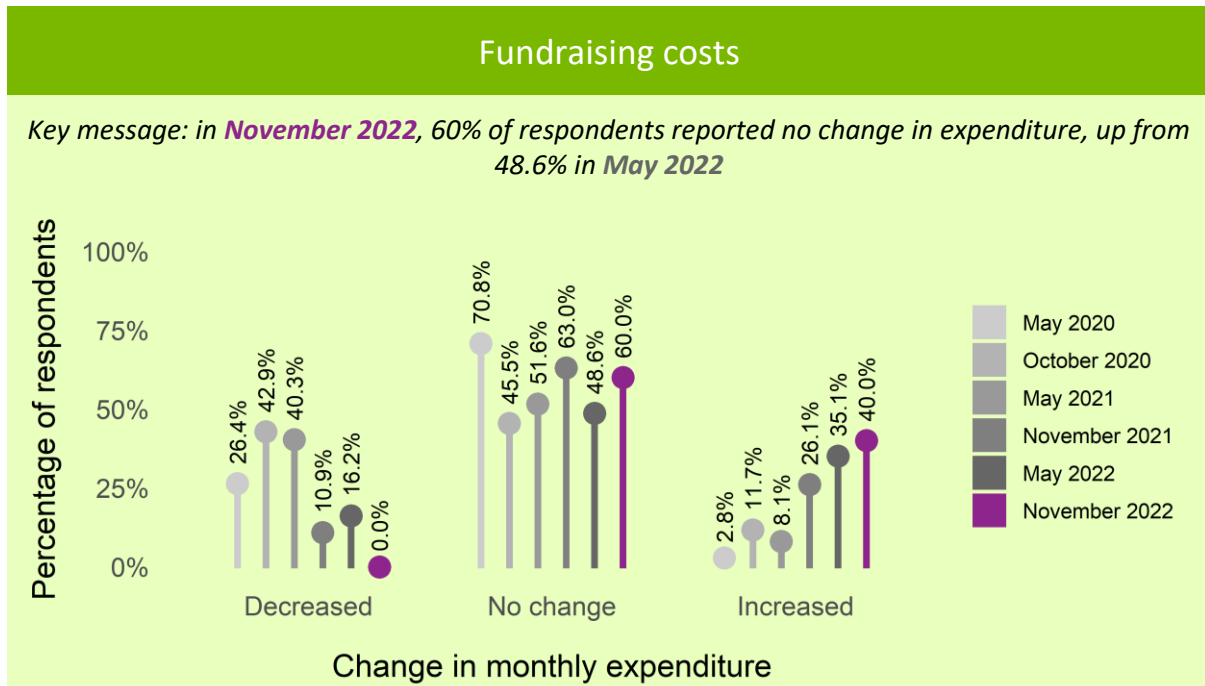
Figure 4.9



Note: There were 44 respondents to this question in November 2022.

4.3.6 Fundraising expenditure

Figure 4.10

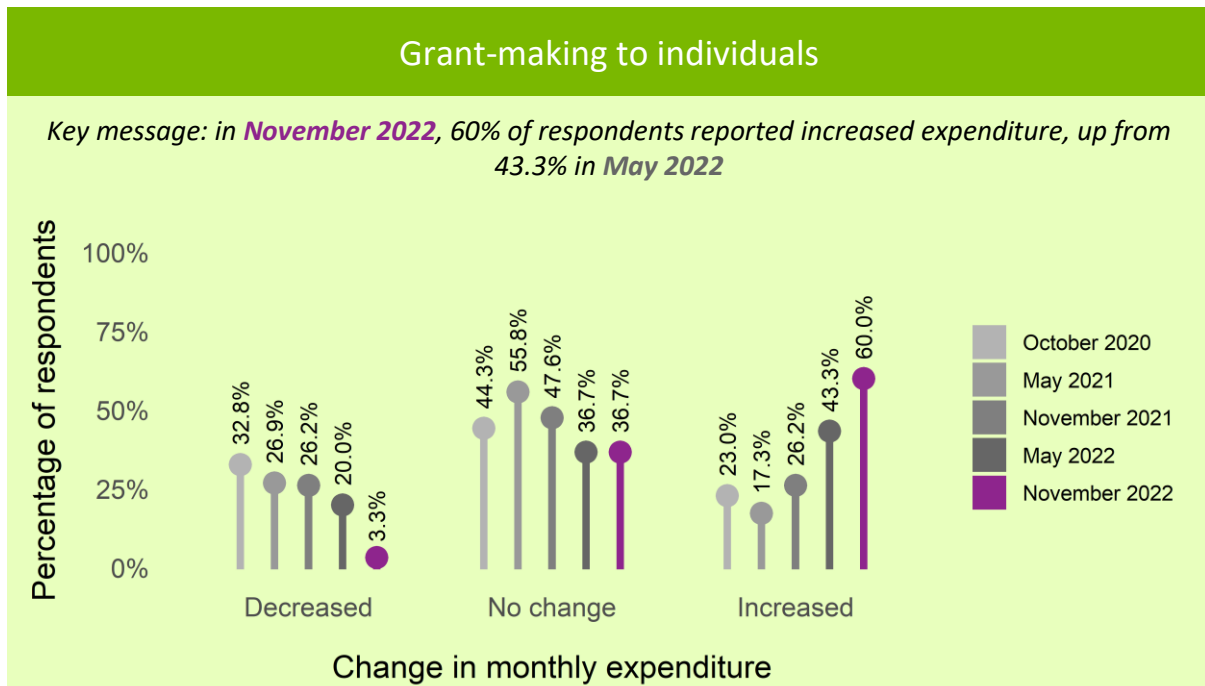


Note: There were 35 respondents to this question in November 2022.

4.3.7 Grant-making expenditure

4.3.7.1 Grant-making expenditure: Individuals

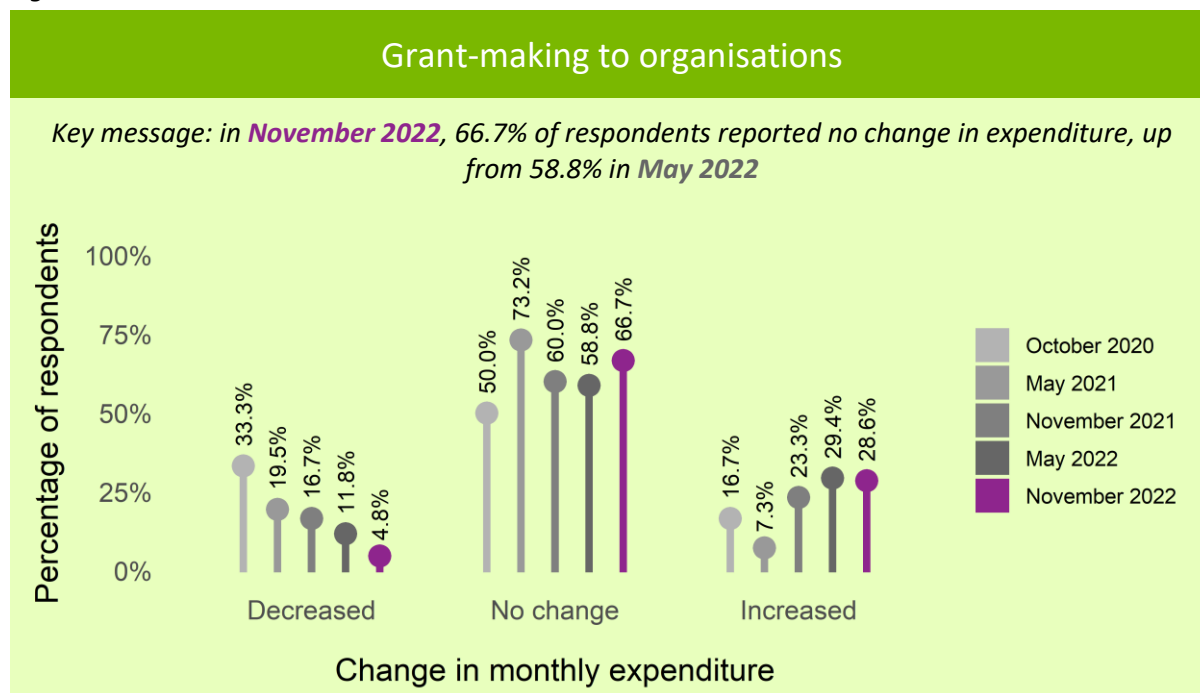
Figure 4.11



Note: There were 30 respondents to this question in November 2022.

4.3.7.2 Grant-making expenditure: Organisations

Figure 4.12



Note: There were 21 respondents to this question in November 2022.

CHAPTER 5

Risks and challenges

5.1 Introduction

This chapter looks at the risks and challenges that Cobseo Members are currently facing or may face in future. The potential risks that DSC included in its survey of Members were:

- Increasing beneficiary need or numbers
- Beneficiary need or numbers being unmanageable
- Reduction in paid staff
- Reduction in service delivery
- Reduction in critical service delivery
- Cash reserves being completely depleted
- Financial stability of organisation compromised
- Sale of assets to raise funds
- Merging with another organisation
- Organisation closing permanently

These potential risks were developed by DSC's researchers, in collaboration with Cobseo, for the purpose of this survey and have been revised over time where appropriate. Whilst they have not been put forward by Members themselves, the survey respondents were asked about the risks they face – their responses are presented later in this chapter.

As with the previous chapters in this report, the first section analyses the data for November 2022. For the Cobseo Members in DSC's survey, it shows which risks were most commonly immediate risks, which risks may become a reality in the medium term (within one year) and which risks may become a reality in the longer term (within two or more years).

The second section then presents the data for each risk in greater detail, contextualising the latest data with respect to the results from previous Members' surveys.

5.2 Overview of the data in November 2022

To illustrate which of the risks included in DSC's survey are most commonly an immediate risk (that is, already a reality), and those that may become a reality in the short term (within six months or one year) or the longer term (within two or more years), Figures 5.1 through 5.3 present the same data for November 2022 in three different ways.

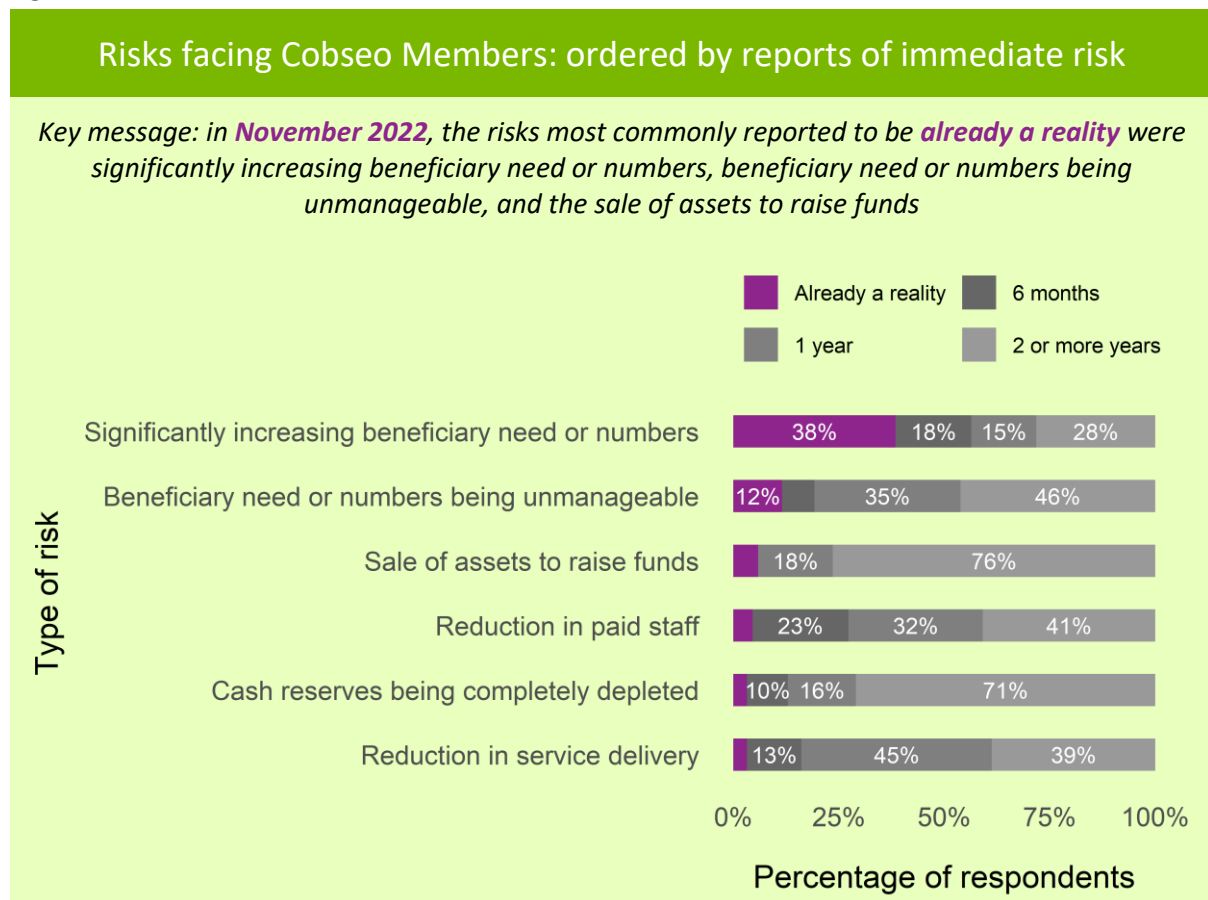
5.2.1 Risks: ordered by reports of immediate risk

As shown in Figure 5.1, the three risks that were most commonly reported by the Members surveyed to be 'already a reality' were significantly increasing beneficiary need or numbers (38%), beneficiary need or numbers being unmanageable (12%), and the sale of assets to raise funds (6%).

It is important to highlight that significantly increasing beneficiary need or numbers was the most widespread immediate risk by a sizeable margin and that, compared to the previous survey in May

2022, the percentage of respondents reporting that this risk was already a reality has increased notably from 27.5%.

Figure 5.1

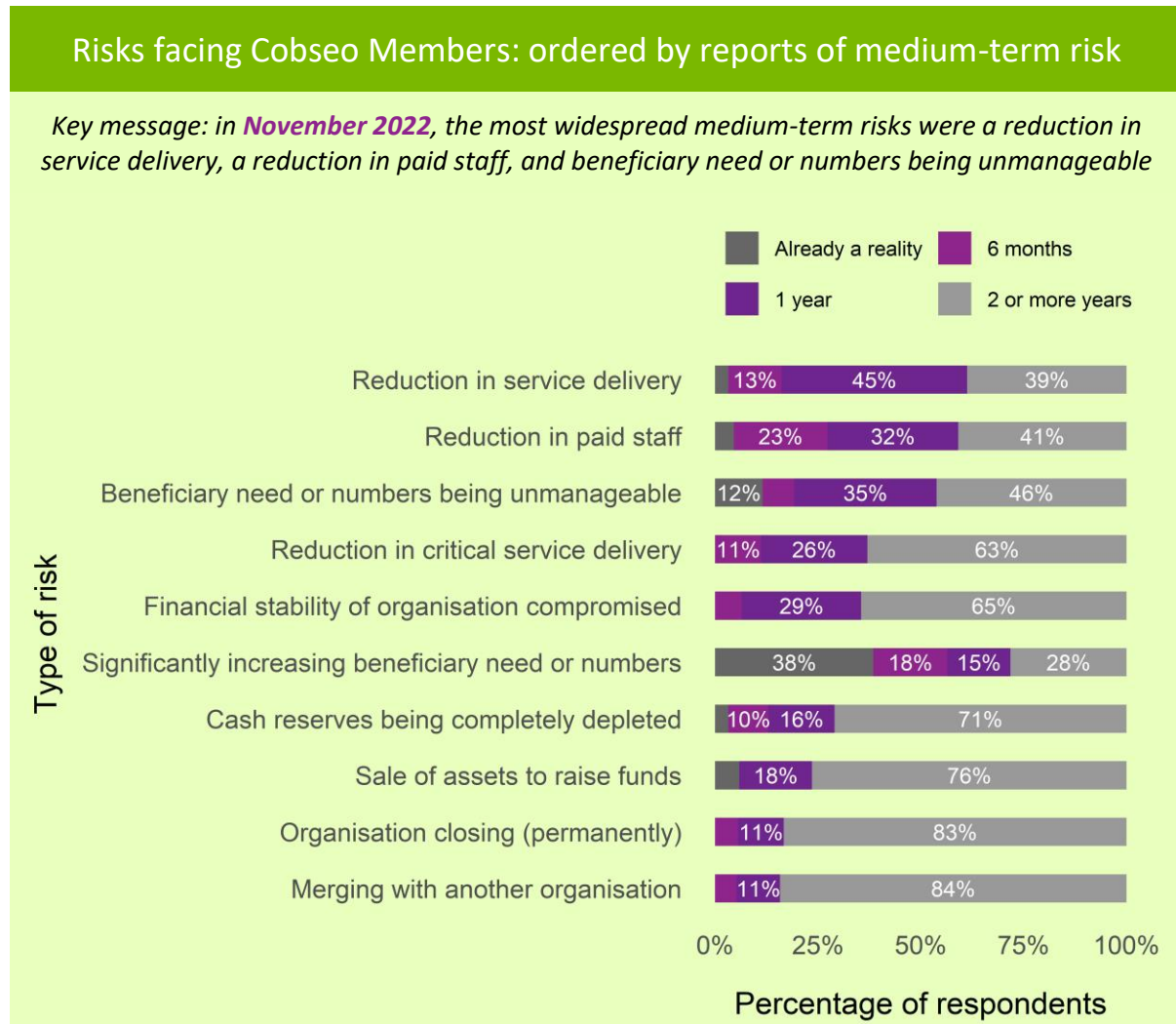


Note: There were a minimum of 17 and a maximum of 39 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

5.2.2 Risks: ordered by reports of medium-term risk

As shown in Figure 5.2, the three risks that were most commonly reported by the Members surveyed to potentially become a reality within six months or one year were a reduction in service delivery (13% within six months, 45% within one year), a reduction in paid staff (23% within six months, 32% within one year), and beneficiary need or numbers being unmanageable (7.7% within six months, 35% within one year).

Figure 5.2

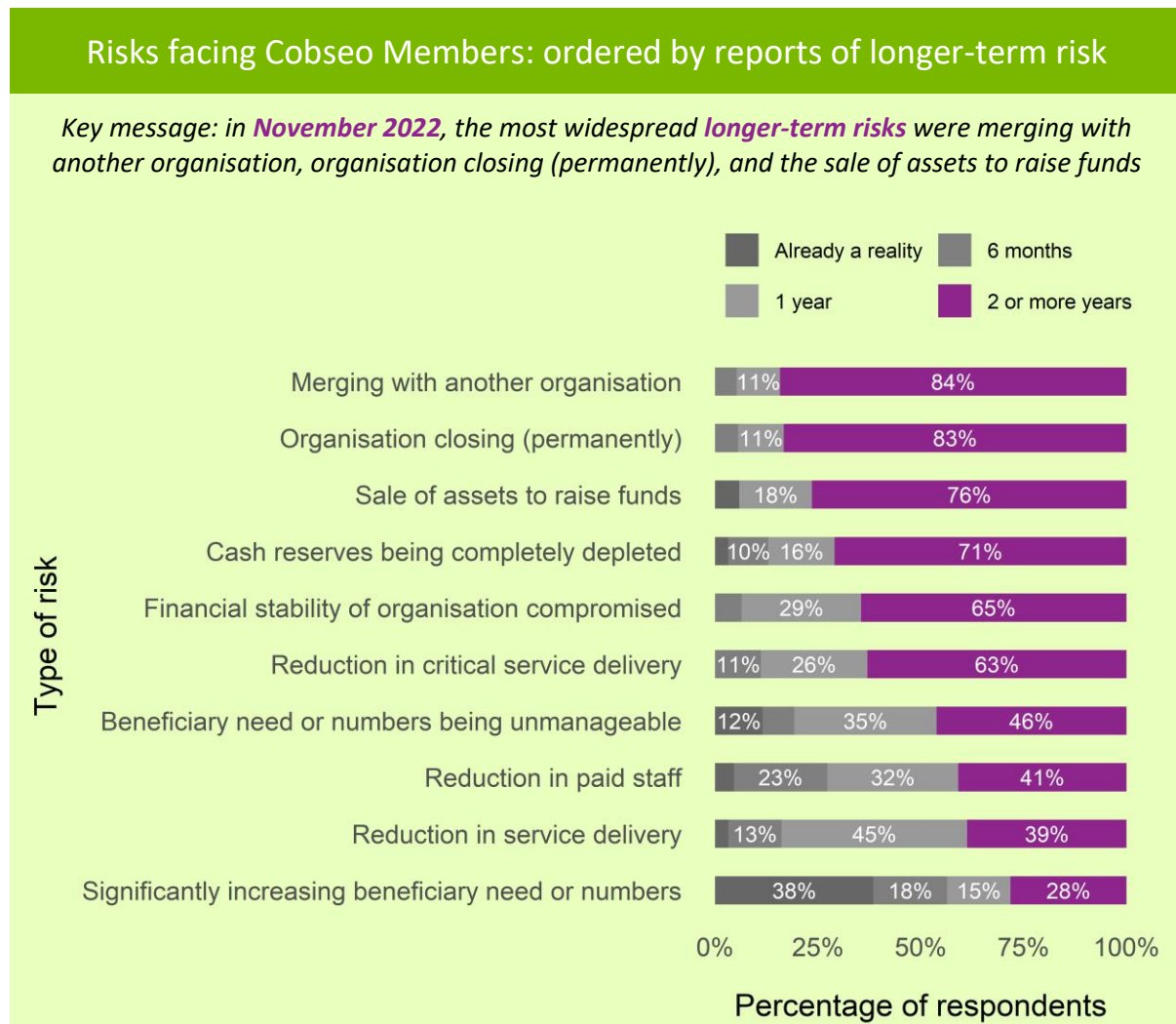


Note: There were a minimum of 17 and a maximum of 39 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

5.2.3 Risks: ordered by reports of longer-term risk

As shown in Figure 5.2, the three risks that were most commonly reported by the Members surveyed to potentially become a reality within two or more years were merging with another organisation (84%), the organisation closing permanently (83%), and the sale of assets to raise funds (76%).

Figure 5.3



Note: There were a minimum of 17 and a maximum of 39 respondents to the multiple questions in this chart in November 2022 (please see the following section for more detail). Percentage values below ten are not shown.

5.2.4 Greatest perceived risks

To understand which risks were perceived as the most important to the respondents, participants in the survey were invited to describe the greatest perceived risk for the following six months.

Reflecting each organisation's unique position, the responses provided (n=47) were varied but recurring risks included a loss of income from a variety of sources, the recruitment and retention of staff and volunteers (in particular to mitigate against current staff loss or shortages), and meeting an increase in demand for support and/or the complexity of beneficiaries' needs.

A selection of these responses has been reproduced in Box 5.1. It is important to note that respondents' comments are illustrative of their experiences.

Box 5.1

Greatest perceived risk or concern over the next six months

"Balancing uncertainties in demand and income."

"A reduction in fundraising."

"Inability of the sole part-time staff member coping with increased demand and more complex cases."

"Cost of overheads, building rent, energy and other overhead costs."

"Hiring, retaining and paying qualified staff."

"Succession of key personnel due to retirement in due course (12 months). Need to employ as volunteers are not forthcoming."

"The need to focus on income to ensure we can continue to deliver the services we offer."

"The ability to raise funds."

"Beneficiary numbers continue to rise."

"Uncertainty of fiscal situation."

"Overload of requests for assistance, extrapolating current cases, we will be 100% over our traditional caseload."

"Lack of volunteers to be trustees and particularly Chair of the organisation. We require a chair by May 2023."

"Overwhelming number of complex cases presenting."

"Staffing to provide services: we are entering a period of increased staff turnover as a number of staff retire, and this will increase our costs and also impact in the short term as we lose considerable experience."

"Awareness of our beneficiaries that we are available to help them and have the appropriate resources."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

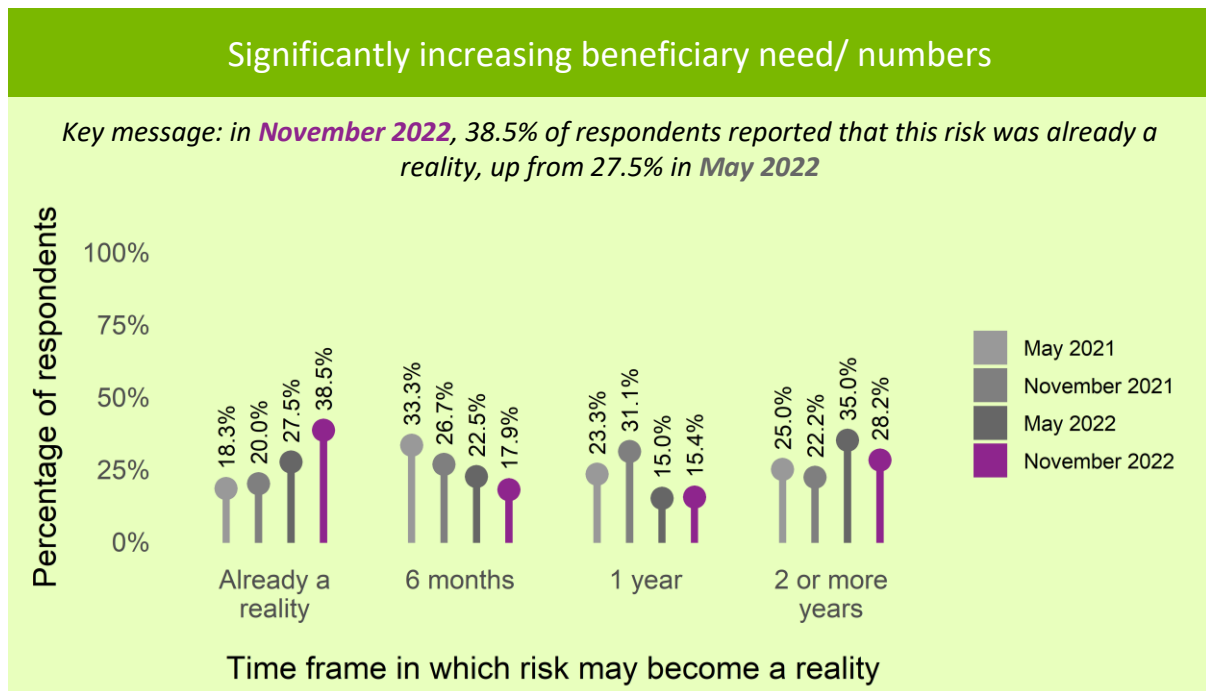
5.3 The most recent data in context

The following section of this chapter presents the most recent data (for November 2022) in the context of the previous waves of data collection.

In each chart, the most recent data is shown in purple, whilst previous waves are represented in grey.

5.3.1 Significantly increasing beneficiary need or numbers

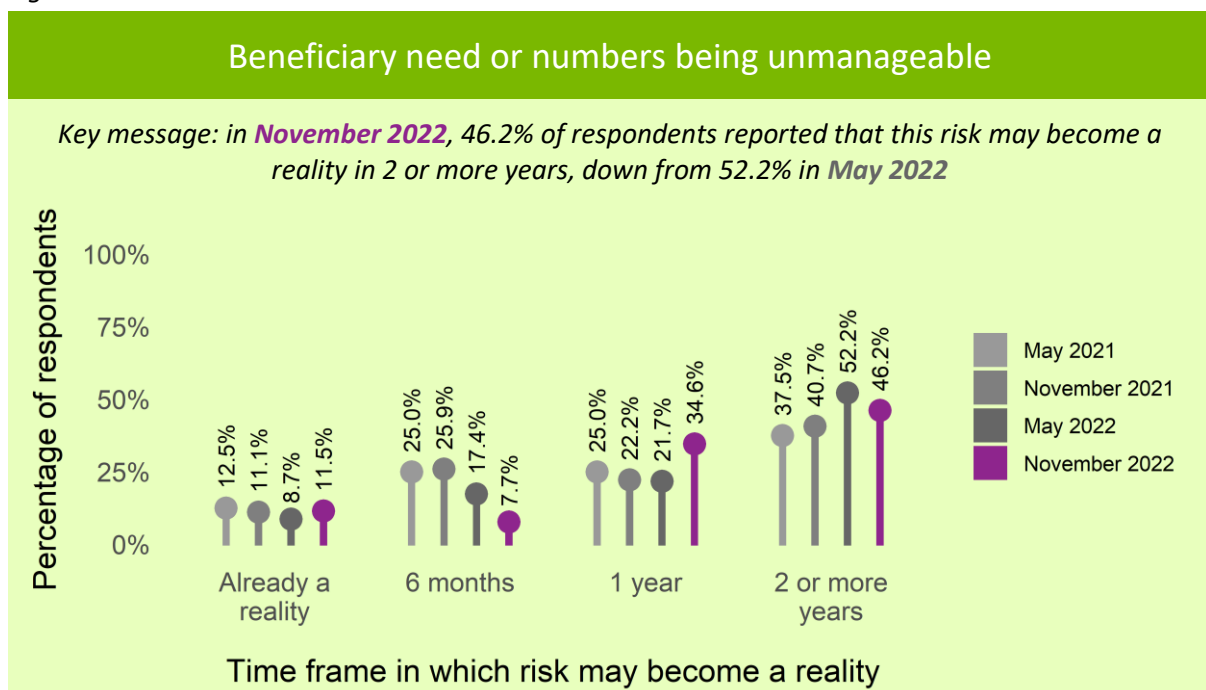
Figure 5.4



Note: There were 39 respondents to this question in November 2022.

5.3.2 Beneficiary need or numbers being unmanageable

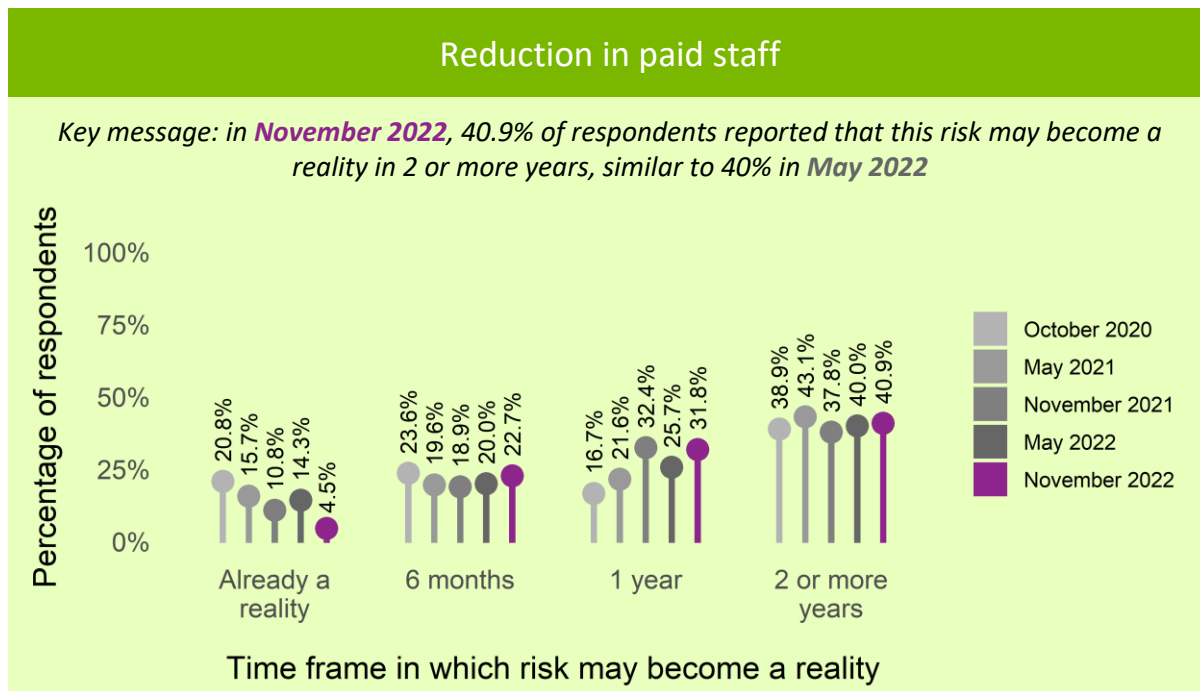
Figure 5.5



Note: There were 26 respondents to this question in November 2022.

5.3.3 Reduction in paid staff

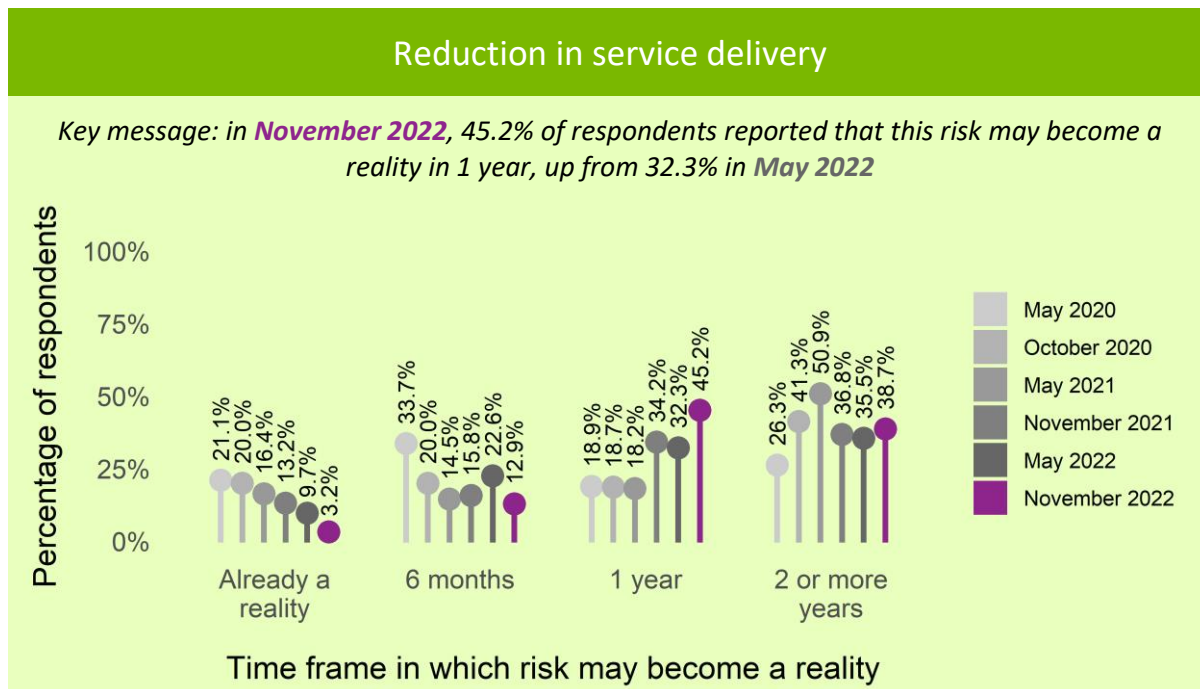
Figure 5.6



Note: There were 22 respondents to this question in November 2022.

5.3.4 Reduction in service delivery

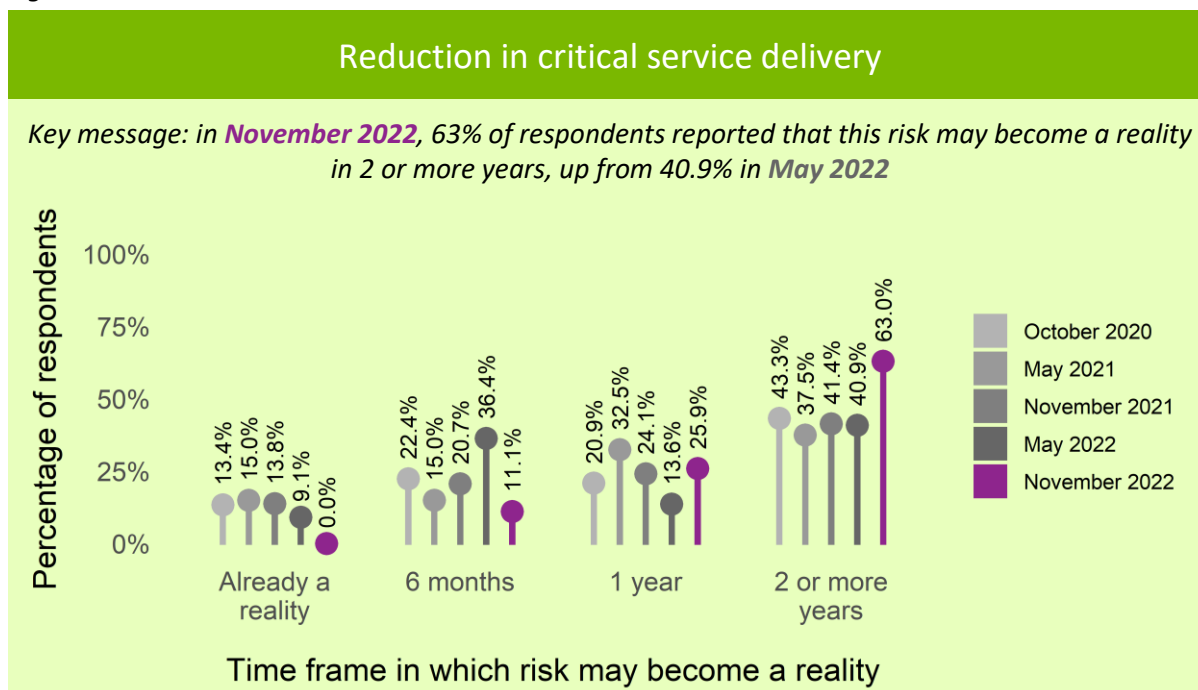
Figure 5.7



Note: There were 31 respondents to this question in November 2022.

5.3.5 Reduction in critical service delivery

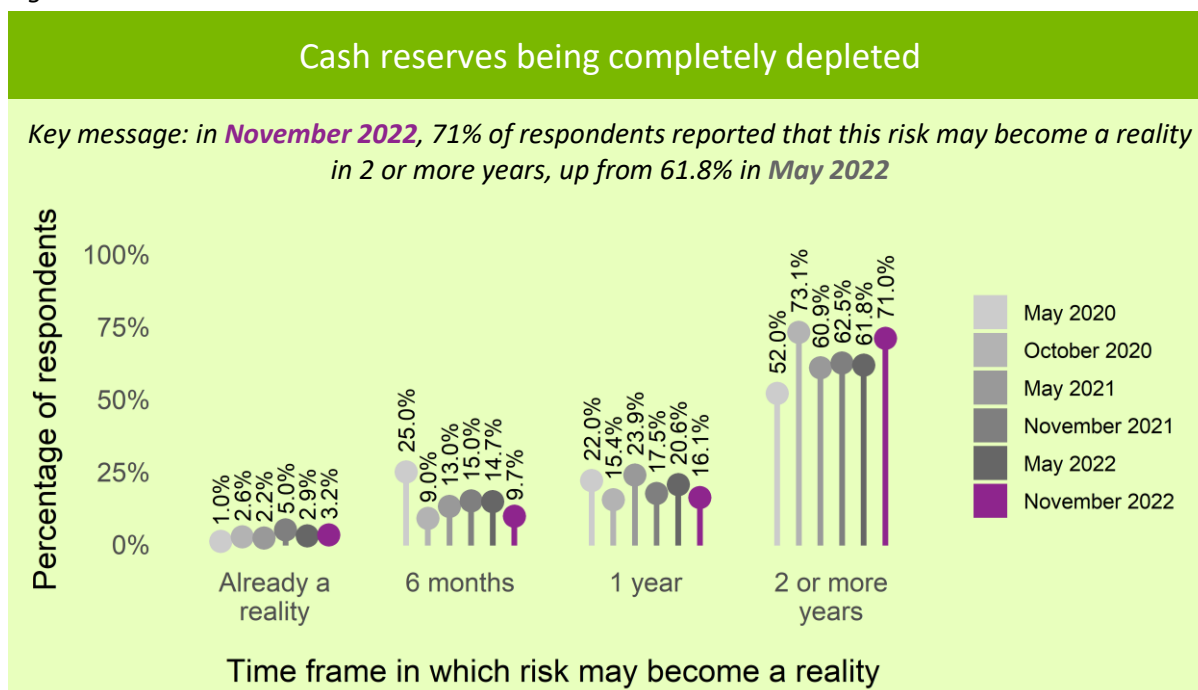
Figure 5.8



Note: There were 27 respondents to this question in November 2022.

5.3.6 Cash reserves being completely depleted

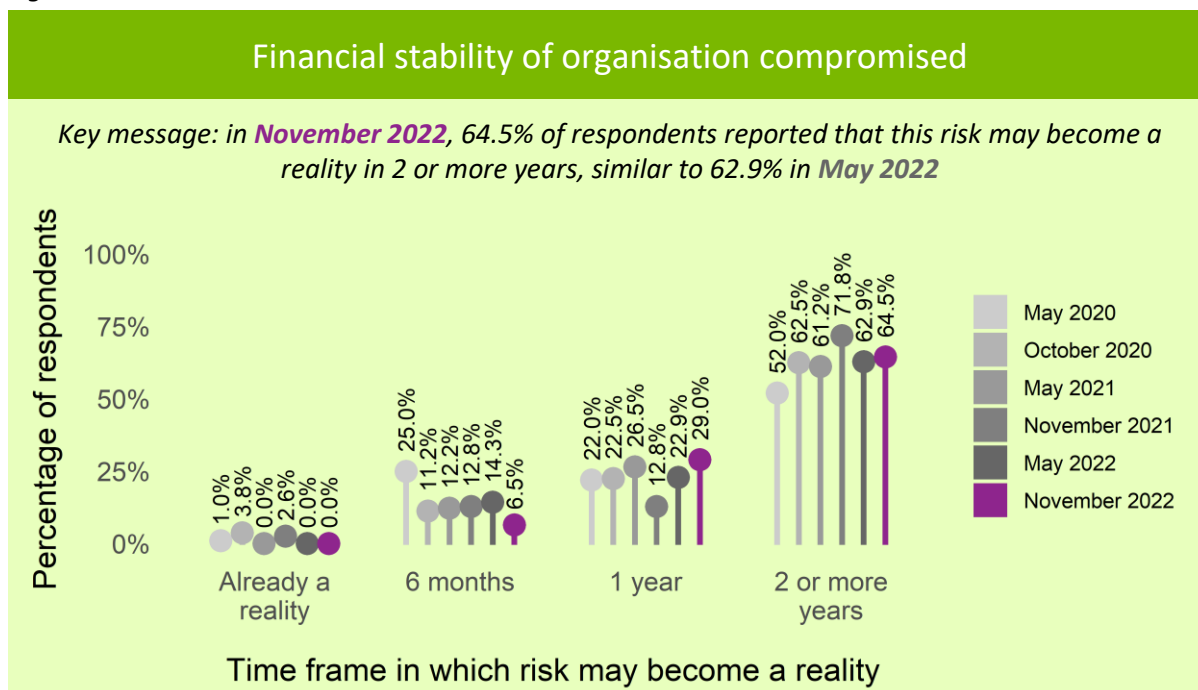
Figure 5.9



Note: There were 31 respondents to this question in November 2022.

5.3.7 Financial stability of organisation compromised

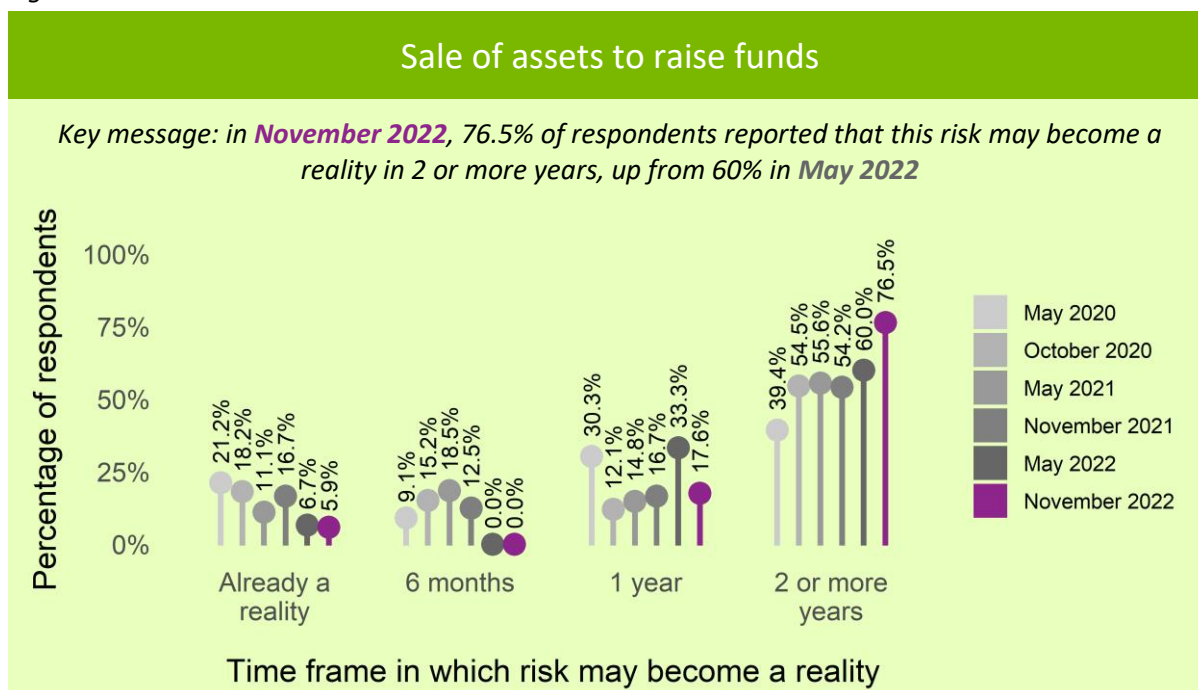
Figure 5.10



Note: There were 31 respondents to this question in November 2022.

5.3.8 Sale of assets to raise funds

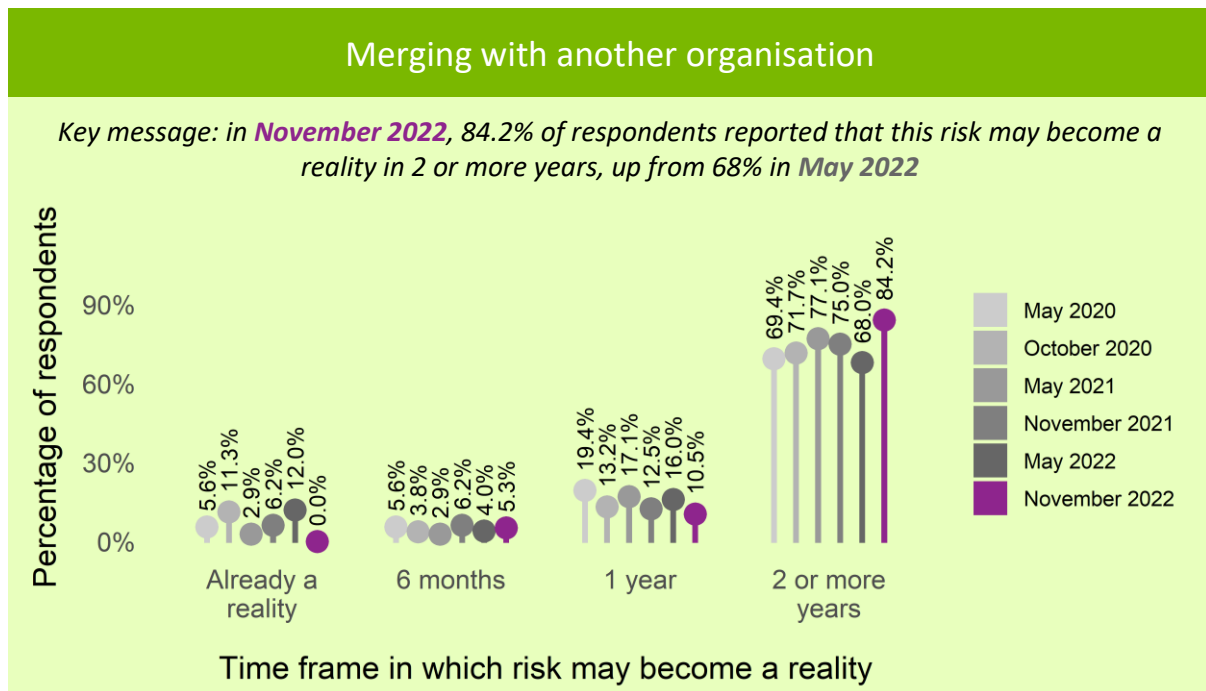
Figure 5.11



Note: There were 17 respondents to this question in November 2022.

5.3.9 Merging with another organisation

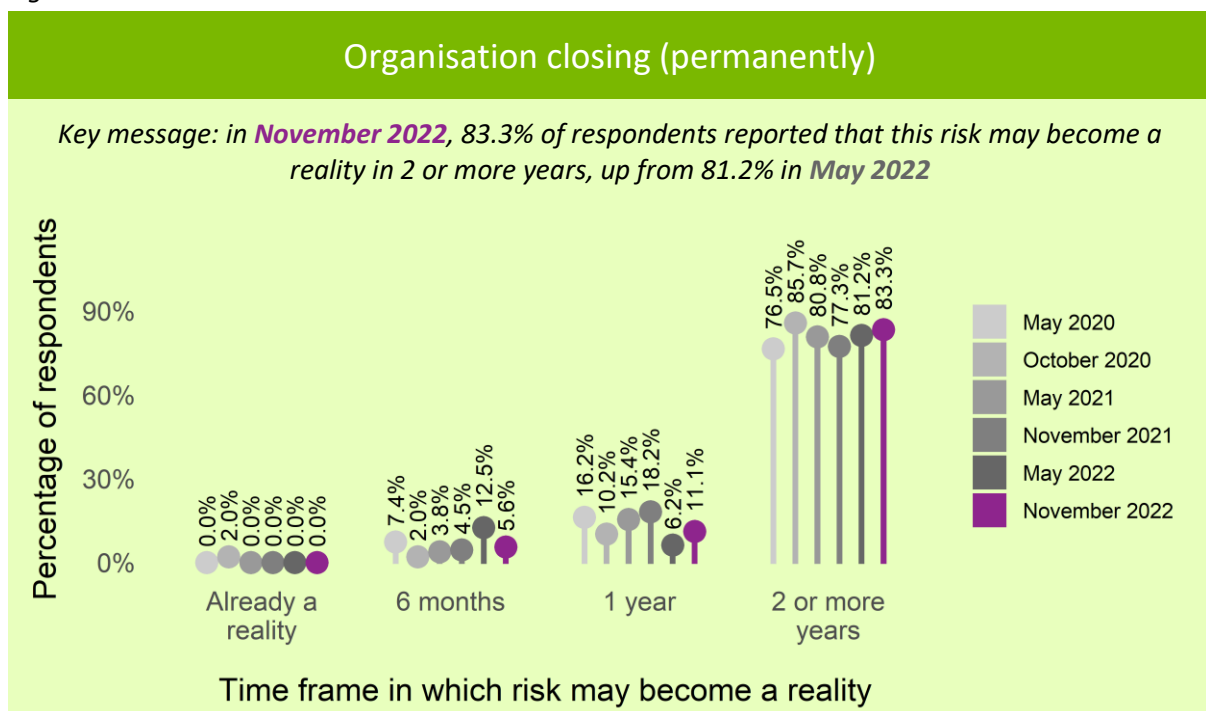
Figure 5.12



Note: There were 19 respondents to this question in November 2022.

5.3.10 Organisation closing (permanently)

Figure 5.13



Note: There were 18 respondents to this question in November 2022.

5.4 Challenges facing Members

5.4.1 Actions undertaken to overcome challenges in cash flow

If they had experienced challenges with respect to their cash flow, the Cobseo Members who took part in DSC's survey were invited to explain their actions to overcome them.

Several respondents provided a qualitative response (n=18). A selection from these responses has been reproduced in Box 5.2. It is important to note that respondents' comments are illustrative of their experiences.

Themes in the responses provided included actions to reduce costs (for example, by minimising expenditure on overheads or reducing service delivery) and increasing income (for example, through additional fundraising events and grant applications).

Box 5.2

Actions undertaken to overcome challenges in cash flow during the past six months

"Accepted that we would have a reduction in annual surplus for the foreseeable future. Controlled management overhead."

"Reduced administrative costs."

"We are trying to build corporate support and develop legacy income, but neither are short-term fixes."

"Expenses for services have increased, so we need to look to reducing services available. We no longer used printed and posted information to members, using email and social media to get our message out."

"Re-scheduling of invoice payments."

"Decline in income and increase in demand for services puts a strain on the budget and projecting forward what projects and support we will be able to maintain into 2023."

"Took out a Coronavirus Business Interruption Loan Scheme loan that is being paid off and put in place a revolving credit facility, which can be drawn upon as required."

"We have tried to reduce overheads where possible, but these were already kept to a minimum. We are reviewing a number of grant applications to trusts/ other charities, but we expect success to be impacted by the number of organisations who will also be seeking the same support."

"We held a fundraising black tie ball which raised extra cash for the organisation."

"Identifying and successfully applying for large substantial grants has become increasingly difficult and has left our organisation having to utilise reserves."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

5.4.2 The changing economic environment

The survey respondents were asked to explain how they expect changing economic conditions to impact their charity, whether operationally or financially, over the next six months.

A sample from the responses provided (n=46), chosen to illustrate the variety in the data, has been reproduced in Box 5.3. It is important to note that respondents' comments are illustrative of their experiences.

Themes in this data included limits being placed on services or cuts to delivery being made, challenges for income flows – such as the performance of investments, fundraising efforts, and greater competition for grants – and challenges for expenditure flows – such as responding to increased demand and adapting to higher operational costs. Moreover, a small number of the respondents drew attention to the potential for severe adverse impacts, such as the closure of their organisation.

Box 5.3

Operational or financial impacts of changing economic conditions

"A reduction in services we can provide."

"Major project for building new homes may be placed on hold."

"Fewer donations."

"Reduced income, higher costs, more need from the beneficiary group."

"Limitation on the number of people we can assist, higher turnover in staff."

"We expect there to be a significant impact financially with a reduction across many income streams."

"Need will become overwhelming, particularly as main charities become less and less willing to support veterans effectively and limit their services to signposting."

"A reduction in donations."

"Severe worsening over the next 12 months on every level, affecting every aspect of operations."

"Unless new sponsors join, we will be unable to continue our work."

"We will need to consider expenditure and save where we can. Investment income will be reduced."

"More challenging fundraising environment plus increased beneficiary need and higher operational costs."

"I expect to make cuts in discretionary activity."

"We will need to continue to plan ahead conservatively and to ensure that any projects we have committed to or services we need to provide can be maintained for as long as possible."

"I think we remain quite strong, but changes in investment returns or hardship could affect our income in the short term."

"Very likely to incur an operating deficit this year."

"We are all facing a period of increased demand, increased costs and a more challenging fundraising environment; that, along with cuts to Government activities, is going to make matters much more difficult."

"If projects become financially challenged/ unviable, we will lose staff. If we have to close too many projects, the organisation itself will become unsustainable, and we will have to consider closure."

"The increase in utility bills, rent, and travel costs, will impact on the reserve funding we hold and may cause an early closure of the charity."

"We anticipate greater calls on our grant giving, causing a greater problem for managing the process rather than the financial impact; a new casework management system and the caseworkers using it pose our greatest threat here."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

5.4.3 External support needed

Respondents were also asked what external support was needed to sustain or improve the efficiency of Cobseo Member organisations as they continue to transition to a post-COVID-19 environment.

Among the types of support referred to by the Members who responded to this question (n=40), themes included additional financial support for organisations (with respect to the amount and length of time over which funding is provided) from a range of sources (including both government and grant funders) as well as easier access to this funding (through alterations to the grant application process), an increased level of statutory support becoming available for beneficiaries to access to reduce demand on the third sector's provision, advice for third-sector organisations (for example, on generating income and understanding and meeting need), and greater awareness-raising about the support that Member organisations can provide.

A range of responses has been reproduced in Box 5.4. It is important to note that respondents' comments are illustrative of their experiences.

Box 5.4

External support needed to help sustain or improve the efficiency of Member organisations as they transition to a post-Covid-19 environment

"Additional government support."

"Longer term contracts with variable money paid to us over the years to cover costs."

"Greater automation and use of IT to perform central functions. Grants targeted at infrastructure and IT automation would help a lot."

"Larger national grants to hardship cases."

"Large grant-making organisations providing additional funding."

"More information about funding opportunities for military charities. The Cobseo newsletter is excellent, but as the headline organisation, it would be useful if Cobseo could be more active on behalf of its Members to act as a gateway for companies wanting to support military charities."

"Continuous marketing, events – to promote our support and willingness to help where we can."

"Our efficiency is unfaltering, but financial and practical support from the MOD would help to sustain the charity."

"More support from the government to beneficiaries so they are not so dependent on charity support."

"Support for our clubs through the winter months would make an enormous difference [...] they are questioning whether they can afford to remain open and pay bills over the winter. With more than 80% of our members linked to branches with clubs, this is a major concern."

"We need to explore providing casework services to the serving community that supports this area more effectively. We also need to continue the digitisation of our services to make them more accessible and improve awareness of our services to our particular community."

"Reduced energy costs; we have an electricity contract to re-negotiate for 1st Apr 23. Current quotes are eye-watering."

"Unsure. As usual, when public sector services are cut/ reduced, it is the voluntary sector that steps in to provide support – often funded by non-statutory sources. However, we are reaching the point where the sector cannot take on any more."

"More proactive PR stance from Cobseo: the military charities are ready, willing and able to support people in their time of need."

"Access to grants for small but critical charities, especially to support operating costs."

"Easier funding applications with a quicker turnaround time. Also, it would really help if funders responded even if an application is negative."

"Continued advice and guidance on governance. Accurate information about the needs of the ex-Service community."

"We need advice on fundraising."

"A large grant to cover a 3–5-year period would allow our staff to focus on support for beneficiaries without fear of redundancy."

"An overhaul of the casework management system, ensuring a fit-for-purpose system which we do not have. Also, all caseworkers working to a high standard, and robust financial checks on applicants."

Note: Quotes are for illustrative purposes only and the views expressed by respondents are not endorsed by DSC.

CHAPTER 6

Conclusions

DSC's latest survey of Cobseo Members in November 2022 received 52 responses. The responses provided by these participating Members indicated the early impact of the cost of living crisis on both the organisations and on beneficiaries. The preceding analysis points to the key findings discussed below.

Supporting beneficiaries

Just over three-quarters (77.1%) of the respondents reported increased beneficiary numbers over the past six months.

- This is the most widespread that reports of increased beneficiary numbers have been since DSC began surveying Members.
- However, the average magnitude of the increase in demand was slightly lower than in May 2022.
- Overall, the survey suggests that a historically high number of Members may be facing increased demand, which may result in difficulties supporting beneficiaries.

Approximately three-quarters of the respondents reported increased demand for hardship or financial support over the past six months.

- The type of support with the most widespread reports of increased demand was hardship and financial support, reported by around three-quarters (74.3%) of the respondents.
- Reports of increased demand for hardship and financial support were up notably from just over half (51.4%) of the respondents in May 2022 and are now more common than in any previous survey.
- This suggests that one of the key drivers of increasing beneficiary numbers is the need for hardship and financial support related to the cost of living.
- This may also be related to the increased demand for mental health support remaining similarly widespread, as indicated by some Members' qualitative responses.

Critical services

The critical service with the most widespread reports of a significant impact on service delivery was hardship and financial support.

- Over the past six months, the critical service most commonly experiencing a significant impact was hardship and financial support, as reported by 50% of the respondents that delivered this critical service.
- Most of the remaining respondents reported a minimal to moderate impact on hardship and financial support (43%).
- Less than one-tenth of the respondents reported no impact on hardship and financial support.
- The qualitative comments provided by the respondents suggested that these impacts included higher costs of delivering support, an increased level of demand, and an increased degree of complexity of the cases they are supporting.

Cash flow

Just over half of the respondents reported that their organisation saw decreased monthly income over the past six months. Meanwhile, the overwhelming majority of the respondents reported an increase in their organisation's monthly expenditure over the past six months.

- Approximately half (52.2%) of the respondents reported a decrease in their organisation's monthly income over the past six months – higher than in May 2022 and November 2021.
- In terms of their prevalence among Members, the main drivers behind decreased income may be fundraising events income, public donations income, and investment income.
- Approximately four-fifths (81.2%) of the respondents reported that their organisation's monthly expenditure had increased over the past six months – higher than in any of DSC's previous surveys of Cobseo Members.
- In terms of their prevalence among Members, the main drivers behind increased expenditure were the cost of delivery (68%), overheads expenditure (64%), and grant-making to individuals (60%).
- Taken together, widespread increases in expenditure and decreases in income suggest that many Members may be operating in a deteriorating financial context.

Risks and challenges

More than one-third of the respondents reported that significantly increasing beneficiary need or numbers presented an immediate risk to their organisation.

- In November 2022, 38.5% of the respondents reported that significantly increasing beneficiary need or numbers was already a reality.
- Of the pre-defined risks presented in DSC's survey, this was, by a notable margin, the risk that was most commonly reported to be already a reality.
- Significantly increasing beneficiary need or numbers was more widespread than in May 2022 (27.5%) and has climbed consistently since May 2021, at which point just under one-fifth (18.3%) of the respondents indicated that this risk was already a reality.
- This suggests that the ability to cope with increased demand effectively may be a key priority for alleviating risks to Cobseo Members in the immediate future.

More than half of the respondents reported that reduced service delivery and reduced paid staff may be a medium-term risk to their organisation.

- In November 2022, 13% of the respondents said that a reduction in service delivery may become a reality within six months, and a further 45% of the respondents said this risk may become a reality within one year.
- This was followed closely by the risk of a reduction in paid staff, for which 23% of the respondents said that this risk may become a reality within six months, and a further 32% of the respondents said this risk may become a reality within one year.
- In the context of significantly increasing demand (see above), these medium-term risks suggest that members may face greater difficulty in the near future, supporting beneficiaries with reduced capacity.

Members stated that higher levels of funding, more long-term financial agreements, and the provision of advice could help sustain or improve their efficiency.

- Members highlighted a range of support mechanisms when asked to explain what, if any, external support is needed to help sustain or improve the efficiency of Member organisations as they continue to transition to a post-Covid-19 environment.
- The comments provided by Members included additional financial support for organisations (with respect to the amount and length of time over which funding is provided) from a range of sources (including both government and grant funders).
- Responses also highlighted easier access to this funding (through alterations to the grant application process).
- Other respondents drew attention to the potential benefits of advice for third-sector organisations (for example, on generating income and understanding and meeting need) and greater awareness-raising about the support that Member organisations can provide.

Acknowledgements

DSC wishes to thank all Cobseo Members who took the time to complete the November 2022 survey. DSC also wishes to thank the Cobseo Executive Team for their support and guidance during the planning and review stages of the November 2022 survey and this subsequent report.